FINANCIAL TIMES

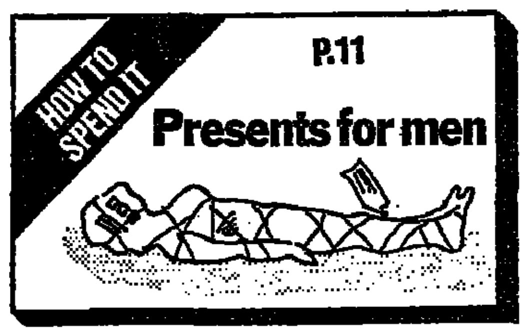
PUBLISHED IN LONDON AND FRANKFURT

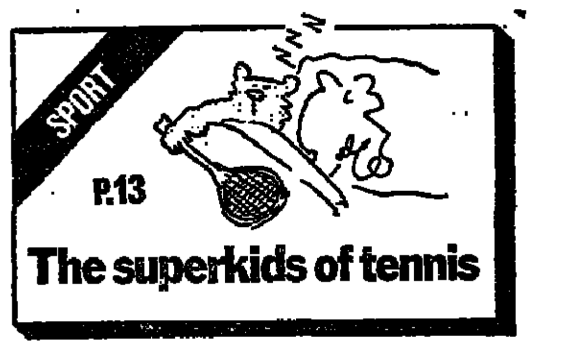
No. 29,193 Saturday December 10 1983



CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 35; DENMARK Kr 7.00; FRANCE Fr 5.50; GERMANY DM 2.00; ITALY L 1,100; NETHERLANDS Fl 2.25; NORWAY Kr 6.00; PORTUGAL Esc 65; SPAIN Pts 95; SWEDEN Kr 5.50; SWITZERLAND Fr 2.00; EIRE 50p; MALTA 30c




WORLD NEWS

# Softer Nato line towards Moscow

**The Nato alliance has indicated willingness to widen political contact with the Soviet Union despite the breakdown of arms talks.**

After a two-day meeting in Brussels, Nato Foreign Ministers called on Warsaw Pact countries to work towards detente and a "balanced and constructive relationship."

They mandated Nato ambassadors to undertake a thorough reappraisal of East-West relations. **Page 2**

## Heavy seas and gales lash British coast

A West German sailor was killed on his ship south of Land's End and a man disappeared while walking on the Devon coast, as high seas and gales lashed the south west. Eight helicopters lifted 139 people to safety from a crippled ferry adrift off Ulster, and 21 crew were rescued from the RN patrol boat Vigilant, also in trouble in heavy seas off Ulster in gales up to force 11.

## Six missing from jet

RAF Air Commodore John Parker and French Air Force General Henri Gimbert were among the 10 people on an executive jet which crashed off Scotland. Four bodies have been found.

## Syria claims success

Syria said it has shot down an Israeli aircraft off the Syrian coast and hit another over Lebanon. **Page 2**

## Bankers for trial

Three Turkish private sector bankers are to face martial law trials for smuggling gold and foreign currency. **Page 2**

## Central America talks

Intense diplomatic efforts to secure peace in Central America were believed to be under way in Buenos Aires. **Page 2**

## Premier for Grenada

Nicholas Braithwaite, a Grenadian who has been working with the Commonwealth Youth Secretariat programme in Guyana, was named head of the interim Grenada government. **Page 2**

## Death for bombers

A Burmese court sentenced to death two North Koreans found guilty of the bomb attack in Rangoon on October 9 in which 21 people died.

## Double life sentence

Thomas Swaine was given two life sentences in Oxford Crown Court, for two rapes, one on a pregnant woman.

## Swazi coup charges

Eleven people, including members of Swaziland's royal family appeared in court charged with plotting a coup against Queen Regent Ntombi.

## Seditious crockery

A black mechanic was jailed for 18 months in Krugersdorp, South Africa, for having black nationalist slogans written on his teacup.

## Briefly . . .

Miss Louise Hemington of Kirton, Lincs, turned 108.

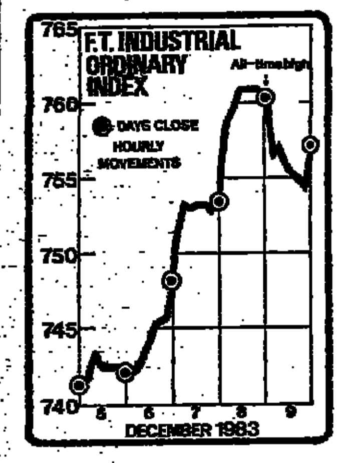
Danuta Walesa arrived in Oslo to receive her husband's Nobel Peace Prize.

Zimbabwe hanged four murderers.

BUSINESS SUMMARY

# Equities ease on weakness of sterling

**LONDON EQUITY** markets eased on the last day of the trading account. Continued weakness in sterling and the prospect of high U.S. interest rates for some time left the FT Industrial Ordinary index, at 757.1, 3.1 down on the day, but still 20.6 up on the account. Gilts fell also. The fall in bullion price hit gold mining shares and left the Gold Mines index 25.1 down at 567.2. **Page 22**




**AUSTRALIAN** dollar is to be allowed to float, with Canberra dismantling a large proportion of Australia's exchange controls. From Monday, dealers expect the level to be about 95 U.S. cents against Thursday's Reserve Bank closing rate of 90¼ U.S. cents. The move was taken to counter speculation, but it also seems clear that the government would like to see an *offshore* banking market established, with Australia a Western Pacific rival to Singapore and Hong Kong. **Back Page**

**BRAZIL'S** leading creditor banks have been given verbal assurances by the IMF that Brazil will receive $2.5bn extra loans from western governments between now and the end of 1984. **Back Page**

**BBC** is trying to interest Thorn EMI in taking up a private-sector partnership in its planned satellite broadcasting service DBS, scheduled to start in late-1986. **Back Page**

**RIO TINTO-ZINC** has been beaten to British Electric Traction's 5 per cent stake in the Maureen North Sea oil field by Ultramar and Century Power, which were already partners in the Maureen Field. **Back Page**

**BRITISH SHIPBUILDERS** say they will make no attempt to avert the threatened national shipyard strike in the New Year. The Confederation of Shipbuilding and Engineering Unions has called an indefinite stoppage from January 6 over disputed terms of a £7-a-week productivity deal, but the main union at BS, the General, Municipal and Boilermakers' Union, is still balloting its members. **Page 3**

**MADRID** court has ruled narrowly in favour of the socialist government's takeover of the Rumasa holding company, which was taken over last February on the grounds that it was on the verge of collapse, and as Spain's largest private holding company, it posed a threat to Spain's financial system. **Page 2**

**FT-Actuaries Indices: Following the year-end review, details of changes to the subsections of the FT-A series of indices will be published in next Tuesday's Financial Times.**

# Print strike fears as NGA fined £½m

BY NICK GARNETT AND JOHN LLOYD

THE National Graphical Association print union was fined a further £525,000 in the High Court in Manchester yesterday after Mr Justice Eastham said the union was attempting to "*smash*" the Messenger group of newspapers in Stockport by conduct which "would attract condemnation and indeed horror" among law-abiding citizens.

The heavy fines—£150,000 and £375,000 for two separate contempts of court—raise once again the prospects of national print and newspaper stoppages, and throws back into the TUC's court the acute and now unavoidable problem of how to control the dispute.

The fines are on top of others totalling £150,000 imposed earlier on the union for ignoring an order to stop mass picketing.

The NGA's national council meets today in Bedford to plan its response. Fathers of chapels (shop stewards) in the national newspapers met yesterday to condemn the fines—but said afterwards they would await the outcome of the council meeting before action was considered.

Mr Joe Wade, NGA general secretary, had warned that "if need be, we will go back to the barricades" when talks broke *down early yesterday. In a statement* issued last night, however, he confined himself to fierce criticism of what he described as a "despicable attack" on the union by Mr Eddie Shah, chairman of the Messenger group.

The union's London Region has organised a rally at the Wembley Conference Centre, in north London, for Monday. It was not clear last night what status the rally would have, but union officials expect it to be a cross between a revivalist council of war and a forum for renewing the NGA's mandate to broaden the action beyond Warrington, where the Messenger papers are printed.

The option of re-imposing a mass picket at the Messenger Group's Warrington plant may be downplayed in favour of wider action—though a mass rally is already planned in Warrington for next Wednesday.

The TUC has called the second emergency meeting of its employment policy and organisation committee in two weeks for Monday night. TUC leaders were last night divided in their views, angered over the size of the fines imposed but fearful of being dragged into an unlawful action which could expose TUC funds and which might attract little general support from the rank and file.

The decision which faces the TUC leaders is how far their support—so far highly qualified, and confined to financial support to allow the NGA to carry out "lawful" activities—can be extended. They must also decide whether, and when, they will tell the NGA to cease its unlawful action and accept defeat.

The latest fines levied on the union, which total £675,000, were imposed on the union by the High Court in Manchester

**Continued on Back Page**
**Details, Page 4**
**High risks on every side, Page 14**

# UK pressured by Opec decision

BY RICHARD JOHNS IN GENEVA

BRITAIN BECAME the focus of attention of the world oil industry yesterday as the Organisation of Petroleum Exporting Countries reaffirmed its commitment to a $29 a barrel reference price, its existing production ceiling and the quota system.

The decision puts pressure on the British National Oil Corporation, which sets the reference price for North Sea crude, to review its price.

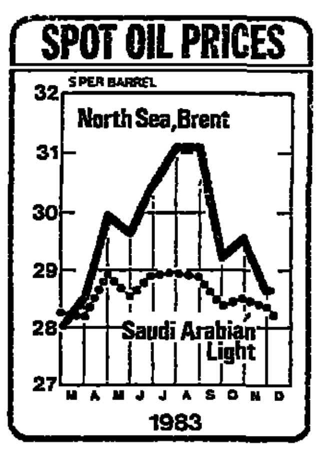
The company expects to hear the views of North Sea crude suppliers and customers by the middle of next week.

BNOC may delay proposals until the New Year, allowing time for the market to test Opec's resolve and discipline following the Geneva meeting.

The organisation may need a time to put its house in order, having over-produced since the middle of July.

Last night the main question was whether Opec had done enough to convince the world of its ability to restrain members' collective output and to defend its price structure in the face of a sagging spot market—the best indicator of the supply-demand balance.

At a time when transactions are being made at more than $1 below official selling rates for some crude varieties, the spot price for Brent Blend, the North Sea reference, was being quoted yesterday in the range of $28.55-28.75 compared with the official rate of $30 a barrel.




Opec has reconciled itself to the prospect of calling an emergency meeting to reduce its present output ceiling of 17.5m barrels a day, if the market weakens further.

The immediate problem, though, is to bring down output rates to this limit. As many as nine of the 13 member states have recently been exceeding the quotas agreed in March.

Opec has agreed on tighter surveillance of production levels by its market monitoring committee chaired by Dr Mana Said al Otaiba, the United Arab Emirates' Oil Minister.

Critical to the equation is Saudi Arabia. Under the March agreement it was given the role of swing producer, but never accepted formally a limit of 5m b/d on its output.

It has substantially exceeded this rate since July, even nudging 6m b/d in October, and in the process accounted for the greater part of the excess above the Opec ceiling.

Sheikh Ahmed Zaki Yamani the Saudi Oil Minister, did no more than reaffirm the Kingdom's commitment to defending the $29 reference price. That, by implication, would mean Saudi Arabia's restricting production to no more than the 5m b/d limit.

Sheikh Yamani was not available for comment last night. Neither was Mallam Yahayu Dikko, the Nigeiran chief delegate. If BNOC were to reach agreement on a price cut with suppliers and customers, the pressure would immediately fall on revenue-hungry Nigeria which in February precipitated price falls for Opec and the oil market by unilaterally slashing its price.

Its production is said by industry traders to have fallen to 1.1m b/d compared with its Opec quota of 1.3m b/d. Now with the presidential election over. President Shagari's government, has shown no sign of cracking, in spite of a motion in the Nigerian Senate for withdrawal from Opec if the nation's oil quota is not increased.

**Enterprise Oil chief named, Page 3**
**Weekend Brief, Page 15**
**Rio-Tinto fails to win oil stake, Back Page**

# New Allianz bid likely for Eagle Star

BY JOHN MOORE, CITY CORRESPONDENT

ALLIANZ VERSICHERUNG, West Germany's largest insurer, is expected next week to top BAT Industries' £913m offer for Eagle Star Holdings, the British insurance group.

The Panel on Takeovers and Mergers, the City body which monitors takeover bids of public companies, has told representatives of Allianz it expects a promised new offer to be clarified some time next week.

Allianz said on Monday it intended to beat the BAT offer which has already been recommended by the Eagle Star board.

No figures on the size of its likely offer were mentioned in the Allianz statement. A decision depended on the outcome of discussions with Eagle Star which took place on Thursday. These talks were inconclusive and relationships between the two sides are extremely tense.

Sir Denis Mountain, Eagle Star's chairman, has already told Allianz that should it succeed in taking over his company there would be "a loss of business and staff morale."

Sir Denis said yesterday: "I feel the time has come where they have got to do something. A takeover of this size dragging on for this long is not right."

He aded: "No further meetings are planned with Allianz. It is now up to them to decide what they are going to do."

The two merchant bank advisers, Morgan Grenfell for Allianz and Hill Samuel for Eagle Star met briefly yesterday. Morgan Grenfell executives were last night meeting the Takeover Panel again to discuss their next move.

Both BAT and Allianz have until December 30 to declare their final offers, after establishing the timetable for the bid procedures with the Takeover Panel.

Allianz holds 29.9 per cent of Eagle Star's shares, which, when added to acceptances of its current offer brings its total to just over 30 per cent. Much of its original holding was acquired at an average of 300p per share.

It is believed Allianz has nearly reached the limit to which it is prepared to go in its bid for Eagle Star.

In yesterday's trading, shares of Eagle Star on the London stock market rose 1p to 710p, valuing Eagle Star overall at £977m.

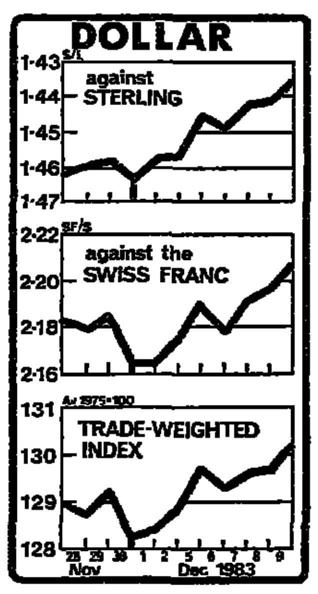
**Monopolies inquiry extended, Page 16**

# Interest rate fears keep dollar riding high

By Max Wilkinson in London and John Davies in Frankfurt

**THE DOLLAR'S trade-weighted value climbed within a whisker of its all-time peak in London yesterday at the end of a week in which it showed consistent strength against all major currencies.**

**On the Bank of England's index, which measures its value against a basket of currencies, the dollar rose 0.5 on the day to 130.2 (1975=100). This was only 0.3 below its all-time peak reached in August.**




**Yesterday's rise was attributed by London dealers to renewed fears that U.S. interest rates will remain high following a statement in London on Thursday by Mr Donald Regan, the U.S. Treasury Secretary.**

**Mr Regan had said that no loosening of U.S. monetary policy seemed likely in the early part of 1984. His comments also suggested that vigorous action to reduce the U.S. federal budget deficit would have to wait until after the presidential election.**

**Foreign exchange dealers**

**Continued on Back Page**
**Money Markets, Page 19**
**Editorial Comment, Page 14**
**Australian dollar to float, Back Page**

# EEC-U.S. trade talks founder

BY PAUL CHEESERIGHT IN BRUSSELS

THE U.S. and the EEC failed to reach agreement on key issues such as farm produce exports, a continuing source of tension between them, during trade and economic talks in Brussels yesterday.

Mr George Shultz, the U.S. Secretary of State, led a delegation of five senior U.S. cabinet members in an afternoon of talks with M Gaston Thorn, President of the European Commission, and four of his colleagues.

Comments by those taking part afterwards indicated that both sides had reiterated previously held positions, and that no immediate improvement in economic relations between the world's two most powerful trading blocs was in prospect.

"It's not going to be an easy year, but we are going to try and manage it," Mr John Block, U.S. Secretary of Agricultural, said.

Mr Shultz said the talks had thrown up "areas of problems and areas of progress." The sole element of progress, however, appeared to be a vaguely-defined commitment by both sides to co-operate in trying to bring EEC cereal prices down to world levels.

The commitment on cereal prices is not tied to any timetable, although Mr Block said there had been talk of a period of five or six years.

The U.S. has waged a consistent campaign against EEC subsidies on European agricultural exports. These subsidies are paid to meet the difference between the selling price on the markets and the higher price guaranteed to farmers.

Although both sides ruled out *the possibility of a trade war*, they have over the past year been competing against each other with subsidised agricultural exports in third markets.

"We've been very considerate and very tolerant and that's why we have not had a trade war. But we are not prepared to keep our hands tied behind our backs," Mr Block warned in a demand for action to resolve the dispute.

The U.S. emphasised its opposition to the Commission proposals for a tax on all oil and fats consumed in the EEC except butter, and to a plan to hold down imports of cereal substitutes.

The failure of the Athens summit of EEC leaders last week-end left the Commission without a negotiating stance and appears to have weakened its authority in dealing with the U.S.

Both sides at Brussels *accepted* during the talks the principle that spending on agricultural support should be reduced. But Mr Poul Doulsager, the Commissioner in charge of agriculture, complained that after the Athens summit the Commission could not say what the EEC would do about its reductions.

The joint talks take place at this time each year. They are designed both to emphasise the inter-dependence of the U.S. and the EEC — trade runs at $90bn (£63bn) a year — and to ease areas of tension.

## 'No rift' with U.S.

**Mrs Thatcher yesterday denied that there was a crisis in Anglo-American relations following the lifting of the ban on U.S. arms sales to Argentina. She said relations were "in good heart." Page 3**
**Editorial Comment, Page 14**

## Three pits to end production

TWO PITS in Leicestershire and Derbyshire are to close next Friday and a third will end production within seven weeks. One of the pits, Snibston Colliery, Coalville, Leics, was started by George Stephenson, the railway pioneer, and his son Robert. About 300 men work at the colliery

In Derbyshire, Pleasley Colliery is merging with Shirebrook from where its remaining coal will be worked. Some of the 360 men are being transferred to Shirebrook or to other pits in the area.

Desford Colliery, Leics, is due to close by February 10. Its geological problems are such that it may have to end production before that.



## MARKETS

**DOLLAR**
New York lunchtime:
DM 2.7515
FFr 8.385
SwFr 2.2102
Y235.85
London:
DM 2.749 (2.7335)
FFr 8.355 (8.3025)
SwFr 2.207 (2.1915)
Y235.5 (233.925)
Trade weighted 130.2 (129.7)
Tokyo close Y234.3

**STERLING**
New York lunchtime $1.436
London: $1.4355 (1.4415)
DM 3.9475 (3.945)
SwFr 3.1675 (3.165)
FFr 11.9925 (11.9725)
Y339.5 (337.75)
Trade weighted 82.6 (82.5)

**STOCK INDICES**
FT Ind Ord 757.1 (−3.1)
FT-A All Share 465.36 (−0.6%)
FT-A long gilt yield index:
High coupon 10.26 (10.17)
New York lunchtime:
DJ Ind Av 1,258.74 (−3.15)
Tokyo:
Nikkei Dow 9,448.9 (−12.13)

**GOLD**
New York: Comex Dec latest $389.0 (S388.9)
London: $388½ (S402¼)

**LONDON MONEY**
3-month interbank:
mid rate 9¼% (9⅜)
3-month eligible bills:
buying rate 8⅞% (8⅞)

## CONTENTS



*For latest Share Index phone 01-246 8026*

# Syria says Israeli 'aerial target' shot down

BY PATRICK COCKBURN IN BEIRUT AND OUR CORRESPONDENT IN TEL AVIV

SYRIA CLAIMED last night to have shot down an Israeli "aerial target" off its coast, north of the Lebanese port of Tripoli where Israeli gunboats had earlier shelled positions held by guerrillas loyal to Mr Yassir Arafat, chairman of the Palestine Liberation Organisation.

A military spokesman in Damascus said that Syrian aircraft had also driven off an Israeli formation over Lebanon and had hit one aircraft. This was denied by military spokesmen in Tel Aviv.

Israeli officials stressed yesterday that the attack on Mr Arafat's forces had not been aimed at stopping the Palestinian leader from evacuating Tripoli.

The Israeli Government, apparently to put pressure on Mr Arafat, has refused to state whether its navy will attempt to interfere in any way with the international operation to evacuate 4,000 of his guerrillas by sea.

In private, however, officials have made clear that they consider it highly unlikely, while Western diplomats have said it seemed out of the question.

Mr Arafat said yesterday that some details of the evacuation had still to be worked out by Mr Rashid Karami, the former Lebanese Prime Minister, who is co-ordinating the operation. "When the details are ready, the ships will be here in 24 hours," said Mr Arafat.

The overnight attack by the Israelis was extremely modest compared with previous examples of retaliation. The area shelled from the sea was a small encampment on the edge of citrus groves which lie between Tripoli city and its port, from which Mr Arafat intends to depart.

Some shops have reopened in Tripoli and the atmosphere was much more relaxed yesterday, but Major Zein, commander of the gendermarie in the city, said that few of the people who had fled the fighting had returned.

The 4,000 PLO men loyal to Mr Arafat will be evacuated with all their light and heavy weapons, apart from some captured T-54 tanks for which there is no ammunition. However, the loyalists were still on alert yesterday waiting for another attack by the Israelis.

Meanwhile, 300 of the 1,650 marines based near Beirut International airport have been redeployed aboard the ships of the Sixth Fleet.

● The Israeli army yesterday searched for Jewish settlers suspected of shooting dead an 11-year-old Palestinian girl in the occupied West Bank. The killing, on Thursday, has triggered fresh controversy about the settlers' use of army-issued sub-machine guns and other firearms.

For more than a week, Jewish settlers had staged a sit-in in Nablus to back up demands for tougher punishment for Palestinian stone-throwers.

It ended after a settler's leader, Benny Katzover of the Gush Emunim movement, said the Defence Ministry had given his assurances that settlers need not hesitate to fire warning shots and should then shoot to hit if endangered by Palestinian demonstrators.

Hours later, the girl was shot dead and her nine-year-old sister wounded in the face, when settlers were reported to have opened fire on Palestinian children who had stoned their car in Nablus.

# Bell takes toll of telephone customers

By Stewart Fleming in Washington

THE disembodied monotone of a computerised voice imparts its message over the lines from Washington to New York: "The number you have reached, 337-2168*, has been disconnected. No further information is available about 337-2168."

A long way from home, a traveller was hoping to make a reassuring telephone call to tell his family of a safe arrival. One of those "reach out and touch someone" messages featured for years in the advertising for long-distance calls by the mighty telecommunications giant American Telephone and Telegraph (AT & T), a company once known affectionately as "the Bell system."

But as 1983 turns towards 1984, many a customer of the company is discovering that chaos and confusion, and not just the prospect of higher charges, have replaced the "Rolls-Royce" service which once existed.

With the approaching break-up of AT & T into seven independent regional companies at the beginning of next year, the system assumes daily more of the characteristics featured in the brokerage firm Merrill Lynch's advertising for the new AT & T stock. This shows a huge hammer smashing the company's logo

The traveller now realises, with the wisdom of hindsight, that he made his first mistake in August when he tried to retain the existing telephone number at his new home.

Although this feat was ultimately achieved after hours of excruciating negotiations with various employees of the Chesapeake and Potomac Telephone Company—the AT & T subsidiary in Washington—the traveller unwittingly exposed himself to the simultaneous ownership of two different telephone numbers for one telephone line, something which seems to have driven C and P's computer to the brink of suicide.

*The last straw came early* this week when an attempt to stop the computer sending two bills a month for the one line backfired and, in an ugly mood, it decided to issue the Orwellian "337-2168 has been disconnected" ultimatum.

With what can only be described as disarming honesty, one C and P employee disclosed on Thursday that because of the break-up of AT & T, Chesapeake and Potomac "now has three or four different offices to do what one did before."

"Unfortunately," she said in explanation of the confusion, "the orders, billing, equipment and repair departments . . . do not always communicate with one another. It's supposed to be better, more efficient. But I do not know when, or if, it will be."

**The telephone number has been changed to protect the innocent.*

# Nato ministers call for more constructive talks with Moscow

BY BRIDGET BLOOM IN BRUSSELS

THE NATO alliance has indicated its willingness to maintain and widen political contact with the Soviet Union in spite of the breakdown in key arms control negotiations between the two super powers.

At the end of their two-day meeting here, Nato's 16 Foreign Ministers issued a special declaration which urged the countries of the Warsaw Pact "to seize the opportunities we offer for a balanced and constructive relationship and for genuine detente."

The Ministers also mandated their ambassadors in Brussels to "undertake a thorough re-appraisal of East-West relations with a view to achieving more constructive East-West dialogue."

They asked that the study should be completed by their next meeting to be held in Washington in May.

They confirmed that in the interests of dialogue they would personally attend the European security conference which is to open in Stockholm on January 17.

However, ministers also said that in the absence of effective arms control agreements with the Soviet Union they would continue to support the deployment of new U.S. Cruise and Pershing 2 missiles in Europe, and their communiqué contained the usual tough condemnation of the Soviet Union's military build-up.

Ministers here are clearly pleased with the results of their deliberations which Mr George Shultz, the U.S. Secretary of State, said was an outstanding example of alliance unity and cohesion.

It is too early to tell whether this new emphasis on improving East-West relations will prove to be an important turning point, as some would hope.

West Germany and Britain in particular would like the alliance to shift the emphasis from what Lord Carrington—formally confirmed today as Nato's new secretary-general—has termed "megaphone diplomacy," to fostering a more stable relationship between the power blocs.

Some ministers yesterday viewed the decision to re-appraise East-West relations as akin in importance to the 1967 Harmel review which ushered in the detente of the 1970s.

At a Press conference yesterday Mr Shultz said he saw no reason to review Nato's overall strategy but its tactics could certainly bear re-examination.

The U.S. was always ready for *more constructive and* reasonable relations with Moscow. But the problem between the two powers was not caused by lack of communication. "It's the substance that's giving us the problem," he said.

Sir Geoffrey Howe, Britain's Foreign Secretary, named four areas identified by ministers as critical. These were the need for a continued close allied consultation; a sensible trade relationship between East and West based on mutual advantage; businesslike political relations between East and West and continued efforts to reach balanced arms control agreements.

According to conference officials no decisions were taken at the current meeting on lifting Western sanctions on Poland. Discussions of the issue will be continued by Nato's ambassadors, they said.

# Bush may meet Ortega in Argentina

By Jimmy Burns in Buenos Aires

INTENSE diplomatic efforts aimed at securing a peace settlement in Central America were understood to be under-way in Buenos Aires yesterday, increasing the prospect of a meeting over the weekend between senior U.S. and Nicaraguan officials attending today's swearing-in ceremony for Sr Raul Alfonsin, Argentina's new civilian President.

According to diplomats in Buenos Aires, there is a strong likelihood either today or tomorrow of a meeting between Mr George Bush, the U.S. vice-president, and Sr Daniel Ortega, the key figure in Nicaragua's three man ruling junta.

The basis for such a meeting would be the 21 peace objectives worked out by the Contadora countries of Panama, Mexico, Venezuela and Colombia.

This insists on democratically-elected governments throughout Central America and the reduction of foreign arms and advisers.

The Contadora group wants to end U.S. support for Nicaraguan rebels and Nicaraguan, Cuban and Soviet bloc support for guerrillas in El Salvador.

State Department spokesman Mr Alan Romberg said on Tuesday that if Nicaragua was prepared to implement the Contadora peace plan, it could count on reciprocity from Washington and its Central American allies.

He also said Washington for its part was ready to intensify its efforts in support of the plan and to "fully test" Nicaragua's intentions.

● Maria Estela "Isabelita" Peron, Argentina's former civilian president, the titular head of the country's major opposition party, and third wife of the late General Peron, returned to Buenos Aires at dawn yesterday, after a two-and-a-half-year exile in Madrid, for the inauguration of Sr Raul Alfonsin.

Security was stepped up in expectation of clashes between rival Peronist factions.

In a short statement Sra Peron said she hoped to co-operate with the incoming government in establishing a spirit of national reconciliation.

# Spanish court clears way for Rumasa sale

BY DAVID WHITE IN MADRID

SPAIN'S Rumasa affair now moves into a fresh phase following confirmation yesterday that the Constitutional Court has upheld the controversial expropriation decree issued by the Government in February.

The passing of the constitutional hurdle leaves the way clear for negotiations on the re-sale of Rumasa companies to private owners and for the initiation of extradition proceedings against the founder and former chairman, Sr Jose Maria Ruiz-Mateos, who is in London.

Sr Luis Buron, the State Prosecutor, has said he believes extradition on a reciprocal basis to be possible, despite the lack of an extradition treaty between Spain and the UK.

The court's decision, which was clinched only by the casting-vote of its president, was announced by Sr Jose Maria Ruiz Gallardon, who received the judgment on behalf of Alianza Popular, the right-wing opposition party. The opposition group lodged its appeal on February 28, arguing that the summary seizure of Rumasa's assets was in breach of the constitution.

The Government's narrow success has been somewhat undermined by a scandal about Press leaks six days before the verdict was made official.

The six judges, out of the court's 12, who disagreed with the pro-Government verdict, expressed their opinion jointly in an annexe to the official judgment. This made clear that their objections were on technical grounds and that they did not contest the "extraordinary and urgent need" required by the constitution as justification *for* such measures.

The long delay in reaching a court decision and the subsequent uncertainty over the future of Rumasa have added to the cost of the affair to the Government, which is anxious to get on with the business of refloating the diversified subsidiaries of the group. Rumasa is expected to show an overall loss of Pta 75bn (£330m) for 1982.

# Turkish bankers charged with currency offences

BY DAVID BARCHARD IN ANKARA

THREE of Turkey's most-respected private sector bankers are to stand trial in a martial law court, accused of smuggling gold and foreign currency.

The three men are Mr Husnu Ozyegin, managing director of the Pamuk Bank, the former general manager of the Yapi Kredi Bankasi, now general manager of the Garanti Bankasi, Mr Halit Soydan, and Mr Erol Aksoy, the general manager of the Interbank.

If convicted, they could face jail terms of up to five years. The men are accused of smuggling between 60 and 90 tonnes of gold abroad between 1980 and 1983 to finance purchases of foreign currency.

A trial of 24 gold smugglers which started recently is expected to be linked to the prosecution of the three men.

The prosecution alleges that the foreign currency smuggled into Turkey was sold on the black market to livestock exporters or used to finance further purchases of gold for illegal sale in Western Europe.

All three men have strongly denied the charges and warrants for their arrest have not been issued.

Whatever the outcome, the case appears likely to damage the international image of Turkish banking.

Turkey's banks are suffering a severe crisis. Three have been declared insolvent this year. Almost the only private bankers who enjoy much of a reputation for their professional and managerial skills are the three now named in the indictment.

Meanwhile, an Ankara martial law court has acquitted the former chairman of the Social Democracy Party, Professor Erdal Inonu, of violating a ban on comments about the actions of the military government.

# West German Parliament approves draft budget

BY RUPERT CORNWELL IN BONN

THE West German budget proposals for 1984 won comfortable approval in Parliament yesterday. They are an important part of the strategy of the centre-right coalition Government for putting public finances back to rights

Most striking feature is the sharp reduction foreseen in central government borrowing, to DM 33.6bn (£8.5bn) from earlier estimates of DM 38bn (£9.6bn) or more. This has been made possible in part by the DM 700m that should flow into state's coffers from the planned sale of a part of its stake in VEBA, the diversified energy concern

Total state spending is being held to DM 257.1bn (£65.2bn) just 1.6 per cent more than in 1983. This tighter policy was attacked angrily by the Social Democrat opposition as showing cynical disregard for the unemployment problem.

Although the Government, and many private forecasters reckon that growth next year could reach 3 per cent, against perhaps 1 per cent this year, the improvement is likely to make only the smallest dent in the total of those without jobs—now at around 2.2m.

The atmosphere of the four-day budget debate was further soured by the continuing row over the future of Count Otto Lambsdorff, the Economics Minister. He faces charges of having accepted bribes from the Flick industrial concern in return for tax concessions.

The coalition used its sizeable majority to beat off an opposition motion yesterday calling for his immediate resignation. However, the future of Count Lambsdorff, who has denied any misconduct, remains obscure.

# France threatens to hold up Britain's budget rebate

BY JOHN WYLES IN BRUSSELS

FRANCE YESTERDAY gave notice that it would block payment of the £450m rebate on Britain's 1983 payments to the EEC budget until the agreements are reached on major Community reform issues which eluded the Athens summit this week.

This tough French line was confirmed here yesterday by M Claude Cheysson, the French External Affairs Minister. He said payment of the rebate, which was settled at the Stuttgart summit last June, depended on full agreement on the package of agricultural and budgetary issues unsuccessfully tackled in Athens.

Although French officials have argued before that this link exists, M Cheysson's public affirmation of it so soon after Athens is obviously intended to put as much pressure as possible on the British Government to make early concessions on the reform package.

*Mrs Margaret Thatcher*, the British Prime Minister, was repeatedly accused by French spokesmen at the Athens summit of "striking rigidity" over her demands for curbs on agricultural and other EEC spending and for a long-term solution to the British budget problem.

The rebate is already under threat from the European Parliament which may freeze either part or all of it when it adopts the 1984 budget at its plenary session in Strasbourg next week.

France's power to block payment derives from the need for unanimous agreement on the technical regulations delivering the rebate. If it stands by the position outlined by M Cheysson yesterday, payment would be possible during the current financial year providing the broad reform package was settled at the next EEC summit in March.

If however, deadlock continued afterwards and the money did not reach London, Mrs Thatcher would be under very strong domestic political pressure to deduct an equivalent sum from the UK's monthly payments to the Community.

# Japan favours Eximbank loans to Brazil

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN MAY establish new management guidelines for its Export Import Bank which will allow the bank to continue making loans to Brazil despite the fact that Brazil is rescheduling the repayment of earlier *debts*.

This was revealed yesterday by Mr Tomomitsu Oba, the Vice-Minister of Finance for International Affairs. Mr Oba said Japan was anxious to play its full part in international efforts to "rescue" Brazil.

With this in mind the Government would try to find a way as early as possible of allowing Eximbank lending to continue.

Loans by the Japanese Export Bank would form part of a $2.5bn package of trade financing which constitutes one of the three main portions of a $11bn refinancing plan being proposed for Brazil. The $11bn plan covers both the rescheduling of old loans and the extension of new credit to Brazil.

A solution to the problem of continuing Eximbank lending to Brazil depends partly on whether the Ministry of International Trade Industry (Miti) can be persuaded not to implement its decision, announced earlier this week to exclude Japanese exports to Brazil from export credit insurance coverage.

Miti officials said yesterday that Brazil was "technically" disqualified from coverage because its debt has been rescheduled. Some 15 nations are excluded

An official of the bank confirmed yesterday that there were difficulties about making further loans to Brazil under the bank's existing management guidelines.

# EEC competition rules waived for coal project

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission has exempted three West German companies from the EEC's competition rules so they can jointly develop a combined pressure coal gasification process.

The exemption emphasises the way in which the Commission is prepared liberally to interpret the competition rules to foster the development of high technology industries.

It is proposing a general exemption to permit easier co-operation between companies wishing to engage in joint research projects.

The latest ruling allows Deutsche BP to join with Deutsche Babcock of Hamburg and PCV of Ratingen in setting up a joint subsidiary called Carbon Gas Technology. PCV bought its holding from Flick which had originally set up Carbon Gas Technology with Deutsche Babcock.

Normal competition rules are being suspended because the three companies have agreed not to compete with the subsidiary, thereby ruling out competition among themselves.

But the Commission's acceptance of this arrangement has been granted initially only until the end of 1989, when it is thought the new technology will be marketed.



# Dublin coalition split forecast by Haughey

Mr Charles Haughey, the Irish Opposition leader, yesterday predicted the coalition government of Dr Garret Fitzgerald could not survive past 1984, writes Brendan Keenan. His remarks followed the resignation of Mr Frank Cluskey, the Trade and Commerce Minister, and a former leader of the Labour Party, the junior partner in the coalition. Mr Cluskey resigned over proposals for the supply of natural gas to Dublin.

## Drilling resumed

Standard Oil (Ohio) said it resumed drilling at the $140m (£93m) Mukluk Exploration well in the Beaufort Sea, off Northern Alaska, Reuter reports from Anchorage. Sohio said drilling should take about two weeks. Earlier this week, it said its drilling had produced only water.

## N. Koreans sentenced

Two North Korean army officers today were sentenced to death in connection with the October 19 bomb attack in which 21 people, including four South Korean cabinet ministers, were killed, Reuter reports from Rangoon. The court found Major Zin Mo, 30, and Captain Kang Min Chul, 28, guilty of premeditated murder in the attack, which also injured 46 people.

## Polish poll plan

The Polish authorities have decided to postpone parliamentary elections due next spring but to go ahead in May, with local government elections, **Christopher Bobinski** reports from Warsaw.

# Scoon names new leader

BY CANUTE JAMES IN KINGSTON

MR NICHOLAS BRAITHWAITE, a Grenadian with the Commonwealth Secretariat's youth programme in Guyana, has been appointed to head Grenada's interim government.

He is the second choice of Sir Paul Scoon, Grenada's Governor-General, who had earlier named Mr Alister McIntyre, an economist and deputy secretary-general of the UN Conference on Trade and Development. Mr McIntyre declined on health grounds.

The appointment of Mr Braithwaite, who has been acting as head of the government for the past month, represents something of a setback for Sir Paul in fashioning an administration which can command the respect of the many countries which objected to the U.S.-led invasion in October. This toppled a military government which had taken power

Mr Braithwaite is less known *internationally than is* Mr McIntyre. He also faces a difficult year. While he is running an administration which will eventually hand over to an elected government, he has to keep on an even keel an economy which was rocked this week by the cancellation of IMF credits totalling $14.1m.

# Australia floats free of rigid exchange rate regime

BY MICHAEL THOMPSON-NOEL IN SYDNEY

MR PAUL KEATING, the Australian Treasurer, was due to have lunched on chicken and peach flan in the ballroom of *Sydney's Menzies Hotel yesterday* and then to have delivered a speech on the economy to the local worthies from the Sydney Chamber of Commerce.

Instead, he stayed in Canberra, locked in a series of intense discussions over the fate of the Australian dollar which eventually yielded last night's decision to let the local currency float free.

As a concomitant, Australia is planning to dismember many of the controls that characterise its current managed exchange rate regime, lending hope to the view that the rule of St. Augustine (make me virtuous, but not just yet) that strikes visitors with such force is at last relaxing its grip on the Australian mentality.

That the Government had to do something about its management of the exchange rate had become obvious by Thursday, when confidence that the local dollar was undervalued sucked a further A$350m across the exchanges, taking the weight of speculative inflow of the past nine days to A$1.5bn (£938m).

*There has been some concern* over the money supply given that its tendency to exceed the Government's 1983-84 target (9-11 per cent) could fuel a resurgence of wage inflation.

Yesterday morning, the Reserve Bank instructed local trading banks to suspend all dealings in foreign currencies, which spread confusion but not alarm.

That the Government would go as far as to float the dollar was not expected—hence last night's delight, on virtually all fronts, that Mr Bob Hawke's Labor Government was pressing ahead with large-scale deregulation in the foreign exchange area—possibly as a prelude to active encouragement of Australia's development as a major Western Pacific financial centre.

Despite its colonial past, which fostered an addiction for rules and regulations in trade and finance, Australia has several advantages that are usually cited to support the idea that it should be carving out a much more important role in the financial affairs of its regions.

It is stable, democratic, affluent, trade-orientated and has a mature merchant banking sector. In addition, because of its time zone, Australia effectively starts the world's trading day and the world's trading week.

Last month the Government decided the Reserve Bank would no longer underwrite the forward exchange rate for the Australian dollar, and that the bank would cite a definite mid-rate against the U.S. dollar only at the end of each trading day, not at its start.

The Government did this because professional traders were making an almost guaranteed arbitrage profit (at the expense of the Reserve Bank) by monitoring developments on Asian foreign exchange markets so as to predict how the Australian trade-weighted index was likely to move the next morning.

However, last month's moves to a more market oriented exchange rate system were almost purely cosmetic compared with yesterday's bold decision to float the Australian *dollar*—a decision which has already added to the kudos of a government presiding over a dramatic improvement in the home economy, as shown by Thursdays' news of a further fall in unemployment, to 9.6 per cent, and of figures for the September quarter showing a 2.3 per cent improvement in gross non-farm product.

As recently as 18 days ago, it was suggested that a floating dollar would be too "radical" and "disruptive" a step for the Hawke Government. Instead, Mr Hawke and his Treasurer have once again demonstrated a superb sense of timing.

As a result, calls for development of an offshore banking market in Australia will now gain force. Indeed, it now seems likely that the Hawke Government will pick up the baton of its Liberal National Party predecessor, and announce its readiness to welcome in a clutch of foreign banks, with offshore banking status perhaps being offered as a sort of prize to the runners-up.

As Mr Hawke told the Australian Merchant Bankers' Association late last month: "The financial system cannot stand still."


FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 75 Rockefeller Plaza, NY, NY 10019.

# Posgate under renewed pressure

By John Moore, City Correspondent

MR IAN POSGATE, the former star underwriter of Alexander Howden Group in the Lloyd's insurance market, has been fighting to stay with his own independent underwriting agency at Lloyd's—Posgate & Denby—following the completion of a 500-page report which has detailed his underwriting practices.

The report, prepared by an internal inquiry team in the Lloyd's insurance market, reviewed allegations that five former executives of Alexander Howden Group, the insurance broker, misappropriated up to $55m (£38.3m) from Howden's insurance syndicates at Lloyd's and other Lloyd's interests.

Mr Peter Millett QC, and Mr Nigel Holland, an accountant, have probed a wide range of matters relating to Howden.

They examined allegations by Alexander & Alexander Services, Howden's U.S. owners, that money was diverted out of the Howden group by Mr Kenneth Grob, former chairman of Howden, Mr Allan Page, Mr Ronald Comery, Mr Jack Carpenter and Mr Posgate.

Alexander & Alexander ousted Mr Posgate from the Howden Group once it made its allegations last year. Lloyd's insisted that he should be suspended from the market and any executive role at his own underwriting agency, Posgate & Denby.

Posgate & Denby is unrelated to Alexander Howden and looks after the affairs of up to 2,000 members of Lloyd's. Mr Posgate controls 25 per cent of the voting shares and around 50 per cent of the non-voting shares.

Following the completion of the Lloyd's report and its distribution to him at the end of last week he has been under pressure to leave the agency. He has argued that he should stay.

The report into the Howden affair is critical of a number of other parties and a further report on the underwriting activities of another former Howden underwriter has yet to be produced.

The Department of Trade and Industry investigation into the Howden affair is understood to be at an advanced stage and could be completed early next year.

# No rift with the U.S., says Thatcher

BY MARGARET VAN HATTEM AND IVOR OWEN

THE Prime Minister yesterday firmly denied reports of a crisis in Anglo-American relations following the lifting of the ban on U.S. arms sales to Argentina.

She declared: "So far as I am concerned, Anglo-American relations are in good heart."

At the same time in the Commons Mr Ray Whitney, Foreign Office Under-Secretary, also tried to damp down suggestions of a rift. "President Reagan's decision was not sprung upon us," he said.

Mrs Thatcher was responding to widespread press reports which compared the U.S. move with her declaration, in an interview a month ago, that resumption of sales to Argentina would present her with her "biggest single problem."

The comment, which was widely seen at the time as an appeal to President Reagan, provoked widespread criticisms from Tory back benchers who thought it showed lack of judgment on her part. Mrs Thatcher's outspoken attack on U.S. economic policies in the Commons on Thursday was also read as a signal as to the state of the alliance.

However, in a speech at UPITN headquarters yesterday, Mrs Thatcher said that at the time the press were describing her attitude to the U.S. she was having a "warm and friendly discussion" with Mr Donald Reagan, the U.S. Treasury Secretary.

Mr Denis Healey, Labour's foreign affairs spokesman, later commented on BBC Radio that Mrs Thatcher was "at last showing some common sense" on the issue and welcomed what he saw as a sign that the Foreign Office had recovered control over foreign policy.

He said: "It is certainly a climbdown by Mrs Thatcher, but a very sensible one."

Suggestion that the change of tone marked a rare example of the Foreign Office view prevailing over that of Mrs Thatcher was rebutted by Mr Whitney.

Mr Whitney, whose appearance at the dispatch box underlined the government's determination to keep discussion of the issue at a low key, emphasised the assurances given by the State Department that no arms transfers would be contemplated which increased the prospects of renewed conflict between Britain and Argentina over the Falkland Islands.

He aligned Britain with the U.S. in welcoming the restoration of democracy in Argentina and other progress made there on human rights.

While reaffirming the government's determination to protect the interests of the Falkland islanders Mr Whitney assured MPs that the government also desired a normalisation of relations with Argentina.

Bridget Bloom in Brussels writes: after the end of yesterday's Nato meeting in Brussels both Sir Geoffrey Howe, the Foreign Secretary, and Mr George Shultz, the U.S. Secretary of State, sought to play down their differences over the resumption of U.S. arms sales to Argentina.

Mr Shultz refused to comment on whether the U.S. had or would give any undertaking to Britain not to export key weapons systems like ships or submarines, he said that future decisions would follow consultation with Britain.

# Roll-up fund to delay effects of tax clamp

By Clive Wolman

**THE Sterling Reserve roll-up fund, run from Jersey by Lazard Brothers, the merchant bank, yesterday unveiled proposals to avoid the effect of the Government's clamp on such funds' tax privileges for at least another 12 months.**

**The roll-up funds, based mainly in the Channel Islands, attracted about £1.5bn of investors' money before the Government announced two months ago that, from January, they would no longer be allowed to convert investment income into more lightly taxed capital gains.**

**The Lazard fund managers, however, have proposed to shareholders that the fund exploit an exemption from the new rules granted to funds which move onshore before January 1985.**

**This would oblige the fund to pay UK corporation tax from the date of its transfer onshore. Mr Alan Wrigley, Lazard Securities director, said the move would be postponed until about December 31, 1984.**

**This would allow investors to continue to enjoy the fund's tax privileges for another year. Mr Wrigley expected investors in other funds to transfer money to Lazard in the next few weeks.**

**Most of the other funds are reluctant to take a similar step because it would make the income from expatriates' investments in the fund liable to UK corporation tax.**

**Lazard's fund, however, has few expatriate investors. It is one of the longest-established funds, set up in 1976, and the value of its investments is now £85m.**

# British Shipbuilders will not move to avert strike threat

BY DAVID BRINDLE, LABOUR STAFF

BRITISH Shipbuilders will make no moves to avert the threatened national shipyard strike next month.

The state-owned group yesterday said that it would make no offer to negotiate on the disputed terms of the proposed £7-a-week productivity deal.

Mr Maurice Phelps, BS board member responsible for industrial relations, said: "We do not intend to take any other initiatives now. It is really for the trade unions to decide what their position is."

The Confederation of Shipbuilding and Engineering Unions has called an indefinite stoppage from January 6. This follows the breakdown of talks on details in the productivity deal, which maps out fundamental changes in working practices.

The dominant shipbuilding union, the General, Municipal and Boilermakers' Union, is balloting its 30,000 members in BS on the strike call. The hope—and, privately, the belief—at the corporation is that the outcome will be against action.

BS, though, is making efforts to promote the deal at yard level. Mr Phelps admitted that such efforts were having "varying success" because of the confederation's instruction to the yards not to discuss the proposals.

BS says that shop stewards in some yards have nevertheless met management face-to-face to hear the terms. Mr Graham Day, chairman of the corporation, said: "If any particular yard picks up the offer, the £7 will be paid and back-dated to November 1."

Mr Day said the threat of a strike was affecting potential customers. Orders that were under negotiation were, at best, being put into abeyance and, at worst, being lost to overseas competitors.

The shipyard unions argue that the productivity proposals—said by BS to be essential for its survival—move too far and too fast in wiping out traditional demarcation lines.

The corporation is seeking "full interchangeability and flexibility" among trades so that boilermakers, for example, would carry out some work now done by outfitters, some painting as required and sweeping up around the job. Office staff with skills and experience would undertake minor manual tasks.

The programme was agreed in principle a month before the strike call. Mr Day said yesterday that he did not feel let down' 'but I guess I felt I had a deal."

# Ford signs engine contract with Cosworth

BY JOHN GRIFFITHS

FORD HOPES to see a new generation of high-performance engines for its road-going cars emerge from a contract signed with Cosworth Engineering of the UK. Mr Walter Hayes, Ford's vice-president of public affairs, said in London yesterday.

His remarks were made after Ford's chairman, Mr Philip Caldwell, had said in Detroit that Ford and Cosworth were joining forces to develop a new grand prix motor racing engine expected to make its debut in 1986.

The first collaboration between the two companies produced the most successful grand prix engine of all time: a three-litre V-8 engine which won 155 races after its debut in 1967. The venture, whcih was instigated by Mr Hayes during his time with Ford UK, reaped an enormous publicity harvest for the company for an outlay of £100,000.

Cosworth, which celebrated its 25th anniversary as a company yesterday, will work closely with Ford Aerospace and its electronics and comunications subsidiary in the U.S. in developing the new engine and possible production unit spin offs. "Out of it we hope will come a more sophisticated engine for cars of Sierra type," said Mr Hayes.

Ford's electronics and aerospace operations are highly developed: they play a major role in satellite production, and have a 1,300-strong team at Houston largely responsible for guiding the space shuttle back to earth.

Mr Hayes said that Ford's research into new materials, the use of electronics and laser technology in engine combustion and Cosworth's expertise should combine to produce significant advances on existing generation engines.

Mr Hayes would not comment on what type of engine might emerge. He said the companies were following two alternative routes—one "orthodox," the other involving "a far-out approach which could lead to a new way of building engines."

No financial figures have been given for the new venture.

Cosworth was a one-man operation run by Dr Duckworth at the time of its first contract with Ford. It now employs 250 at its Northampton headquarters.

**Ford has cut prices of its long-wheelbase Transit medium vans by up to £273. This move brings the cheapest model to £5,052 and reflects stiffening competition in the sector from both imports and the launch several months ago of a larger version of the Sherpa, built by BL's Freight Rover subsidiary.**

**The Transit model affected by the cuts have payloads of between one tonne and just under two tonnes.**

**Medium van sales have risen overall by 17.2 per cent this year to 110,383, but Transit sales have fallen 4½ per cent. A successor to the 17-year-old Transit, code-named Triton, is expected within the next two years.**

# Anti-motorcycle legislation blamed for poor sales

BY JOHN GRIFFITHS

MOTORCYCLE SALES in 1984 may be as low as this year's depressed levels, the industry's association admitted yesterday.

Statistics from the Motor Cycle Association showed November sales again sharply down at 10,362, compared with the previous period last year. This brought the total for the year's first 11 months to 169,101, a fall of 25 per cent on last year's 225,149.

The industry expects total sales this year of 174,000 units, compared with 315,000 in 1980.

The statistics follow a sharp attack on the international legislative climate in which the industry is operating by the Bureau Permanent, the Paris-based organisation representing the world industry.

Mr Kurt Jegge, its president, has claimed there is "a conspiracy against the industry—whether conscious or unconscious—which is having a far more damaging effect than the recession."

He said governments and international organisations were surrounding the industry with an unnecessary legal burden, adding to retail cost of products but without introducing real consumer benefits.

Mr Edward Wilson, the bureau's general secretary, and a former MCA director, claimed the effects of unco-ordinated legislation, particularly in Europe, were "deplorable."

He said lighting, noise, safety and pollution regulations were being considered in nearly every European country, as well as in the EEC, yet advance consultation with the industry was sometimes non-existent.

He said governments seldom produced statistical or factual evidence on which to base legislation, while the lack of co-ord'nation of new regulations produced a multiplicity of demands which were often conflicting in design terms.

# Mortgage rate of 11¼% unchanged

By David Lascelles

**THE BUILDING societies are to leave the mortgage rate unchanged at 11¼ per cent for at least another month.**

**At a meeting in London yesterday officials from the biggest societies decided mortgage demand is still too strong to justify a cut. The flow of funds to the societies is also falling off slightly.**

**The Building Societies Association's decision had been expected after various societies warned in recent weeks that queues for home loans, while dwindling, were still long.**

**There are also signs that depositors placed less money with the societies in November than they did in October, when there was a record inflow of more than £1bn. December is usually a month of heavy outflows because savers make withdrawals for Christmas.**

**Abbey National, the country's second largest society, which has been pressing for cheaper mortgages, also seems unlikely to cut its rate soon.**

## Impasse over select committees ended

By Ivor Owen

**A PARTIAL solution to the dispute delaying the establishment of the specialist Commons select committees, which monitor the work of government departments, was reached in Westminster yesterday.**

**MPs approved the composition of eight committees, including those on the Treasury and Civil Service, Industry and Trade, Energy, and Foreign Affairs.**

**If necessary, the Government will provide time for a debate and a series of votes on Wednesday to resolve the outstanding issues which are still holding up appointment of the six committees,**

# Bifu calls English bank strike for December 23

BY OUR LABOUR STAFF

THE BANKING, Insurance and Finance Union is instructing 80,000 members in the main English clearing banks to stage a half-day strike on Friday, December 23.

The stoppage decision was taken yesterday in protest at the banks' insistence that staff must work a full day on that date, the last trading day before Christmas.

The union's national executive agreed on the strike call after a ballot among the members concerned showed 53 per cent favoured action.

In spite of the slim majority, Mr Leif Mills, Bifu general secretary, was confident of a good response. He predicted widespread effects. "The position will be chaotic," he said.

The impact, however, is more likely to be patchy. BIFU does not represent most clearing-bank staff and the 93,000-strong non-Trades Union Congress Clearing Bank Union is unlikely to support the walkout.

A ballot among members of the Lloyds Bank staff union, part of the CBU, came down firmly against industrial action, it was announced yesterday.

Except for 1978 banks have closed at noon on the last trading day before Christmas for nearly 20 years. Unions are as angry about the "arbitrary" way the clearing banks have changed arrangements this year as about the loss of time-off to do last-minute shopping or early celebrating.

Bifu hopes its unprecedented decision to call a strike on an issue of this nature will force the banks to the negotiating table next week, either to drop the plan or to agree compensation for staff.

The union's postal ballot, conducted by the Electoral Reform Society, attracted a total valid vote of 45,142, of which 24,058 (53 per cent) was for the stoppage and 21,084 (47 per cent) was against. Mr Mills said it was a good response and a clear mandate.

# Consolidated company law planned

By Ray Maughan

THE GOVERNMENT is preparing to consolidate all existing companies legislation in the current session of parliament. Responding to a written question from Mr Graham Bright, Conservative MP for Luton South, Mr Alex Fletcher, Minister of State for Trade, said yesterday that consultations on the form of consolidation showed a "substantial preference for a principal Act covering the general span of company law."

The authorities incorporated an option to consolidate the five principal companies acts passed after the second world war in section 116 of the 1981 Companies Act. That section stipulated amendments may be made to existing legislation "to enable a satisfactory consolidation of the whole or the greater part of the Companies Acts to be produced."

Mr Fletcher said yesterday that the Bill to be introduced later this session will be one which will comprise the greater bulk of company law, including the Companies (Floating Charges and Receivers) (Scotland) Act, 1972. In addition, published separately, the Government will introduce, by Order in Council, an insider dealing bill, a business names bill and a consequential provisions bill.

# Sinclair receives millionth Spectrum home computer

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

SIR CLIVE SINCLAIR, chairman of Sinclair Research, was yesterday presented with the one millionth Spectrum computer to be produced for the home electronics market.

The presentation was made at the Timex plant in Dundee which produces both the Spectrum and the ZX81 computers for Sinclair.

Sinclair management said that about 100,000 computers a month were being produced from the Dundee plant which is the main producer of the computers, although some are produced by EMI-Thorn at Feltham.

The pre-Christmas orders for computers were a "boom beyond expectations," according to senior Sinclair management, with more than 300,000 sent out to the UK market alone in the past three months.

The tube for the new Sinclair flat screen televisions is also produced at Dundee although the target of 10,000 sets to be assembled by Christmas is unlikely to be met.

# Chief executive named for Enterprise Oil

BY IAN HARGREAVES

MR GRAHAM HEARNE, chief executive of Carless, Capel and Leonard, a small British oil company, was yesterday named chief executive designate of Enterprise Oil, the company formed by the Government to privatise British Gas's North Sea oil assets.

Mr Hearne, 46, will take up his post in March, shortly before Enterprise shares are floated in a deal whose value is estimated at £400m.

At Enterprise, he joins Mr William Bell, the former Shell executive, who last month became the company's part-time chairman.

Mr Hearne, a lawyer by profession, spent seven years with bankers N. M. Rothschild before becoming finance director of Courtaulds in 1977.

In 1981 he became chief executive of Tricentrol, an independent British oil company, but left last March following major structural changes in the company.

At Carless, Capel, which is one of the most successful participants in the onshore British oil business, he has been heavily involved in the negotiations to buy Carless a stake in the Wytch Farm, Dorset, oilfield, which the Government is compelling British Gas to sell.

Weekend briefs, Page 15

# Fitch chief to step down

BY CHARLES BATCHELOR

MR RON BAKER, 41, managing director of Fitch & Co, one of the largest European design consultancies, is to step down for family reasons. Fitch's shares fell 5p to 265p yesterday on the news.

Mr Rodney Fitch, founder and executive deputy chairman, and Mr Crispin Tweddell, development director, will become joint managing directors from January 1.

Fitch, which obtained an Unlisted Securities Market quotation in October last year, has contracts to design Burton Group's Top Man and Top Shop chains and Terminal Four at Heathrow Airport.

It recently competed unsuccessfully to redesign the House of Fraser stores chain.

Mr Baker will remain a non-executive director and consultant to Fitch, working one day a week. He holds 6.6 per cent of the company's equity and has been managing director for the past three years.

Fitch made a pre-tax profit of £425,000 on turnover of £2.02m in the six months ended last June 30. Mr Ian Cochrane, finance director, said the second half was going very much as planned.

# £4.5m surplus for HMSO

BY LISA WOOD

CHANGES AT Her Majesty's Stationery Office have resulted in "a healthy surplus" of £4.5m for 1982-83, according to the organisation's review of the year.

Turnover, at £283m, was up 13 per cent on 1981-82 despite a 16 per cent manpower reduction which brought total employee numbers to 4,362 in March compared with 6,236 in April 1980.

Until April 1980, HMSO was a conventional government department but then became a trading fund with a statutory requirement to break even. A series of measures was taken to increase efficiency.

HMSO says its current competitiveness is demonstrated by the fact that all government departments, except one, have signed agreements for the supply of goods despite being free to go elsewhere.

*HMSO Review of the Year 1982-83.*

# Lay-offs halt Halewood

ALL CAR production at Ford's Halewood plant, Liverpool, was halted yesterday when the company laid off 2,800 in the body and assembly shops after disruption on a disciplinary issue.

The trouble started on Thursday when six workers walked out in protest at a final warning given to a colleague for "lack of effort."

The walkout led to lay-offs that day and further action yesterday, culminating in the 2,800 hourly-paid workers being sent home when production had not resumed after two and a half hours.

There were indications that unrest in some parts of the plant reflected resentment at acceptance by union leaders of a 7.5 per cent pay offer on Thursday.

Ford said production of 660 Escort and Orion cars with a total showroom value of £3.3m was lost. A full resumption of work was expected on Monday.



Andrew Taylor looks at a problem that caused £7.6m losses in 1982

# Retailers struggle to stem the tide of shoplifting

A MALE shoplifter was being bought back into the store when he pulled a knife from his pocket and cut the assistant manager's throat. Two Security Express officers apprehended the man. The assistant manager received 21 stitches. The story did not even make the national newspapers.

The incident, recounted bitterly by a Woolworth security officer, underlines the concern of retailers at what appears to them to be a public image of shoplifters drawn mainly from the ranks of the elderly, confused, psychologically disturbed or just plain needy.

The Woolworth security officer, a married woman, said: "I have been in my job for 14 years and I have never had an elderly person charged with shoplifting. I think any store detective who knows her job can judge whether a person is absent-minded or ill."

Last year, one of the country's largest department store groups compiled a survey of shoplifting offences. The findings, published by the Association for the Prevention of Theft in Shops, concluded that more than a third of the offences involved children between the ages of 11 and 16. Almost 60 per cent of thefts involved people—mostly men—under the age of 23.

Woolworth, like most retailers, will not say how much it loses from thefts but refers to 40,000 "incidents" last year, of which 30,000 went to court. It says 250 staff were assaulted, many were seriously hurt.

Security group 3M estimates that losses by retailers from "shrinkage"—mostly theft by employees and customers, but including breakages—averages around 3 per cent of annual turnover, or more than £2bn a year.

"For some types of stores, such as young fashion, where premises may be small, full of bustle and noise, shrinkage may be as high as 6 to 12 per cent," says Mr David Grant, 3M's security systems marketing manager.

Mr Enrico Comana, owner of Benetton, a garment shop in Manchester's Market Street, says before calling in 3M, his store lost an average of 80 garments a month—or between 3 and 4 per cent of sales—between September 1982 and August this year.

"At retail prices this meant shrinkage of around £1,300 a month," says 3M.

Home Office figures reveal an enormous gap between the cost of shoplifting reported to the police and the "true" level of shop theft as estimated by 3M.

According to official figures, 342,000 shoplifting offences, involving goods to the value of £7.6m, were recorded by police in England and Wales last year. Of these, 213,000 offences were "cleared up" and goods worth £2.5m recovered. In 1981 225,342 offences were recorded.

According to the Home Office, the number of thefts by employees was less than 10 per cent of those committed by shoplifters, but the value of goods stolen was more than double.

It has been suggested some stores may adopt an unofficial "shrinkage" trigger point—say 2 per cent of a shop's turnover—below which it is not worth introducing anything more than normal security precautions.

The APTS strenuously denies its retailing members would tolerate any "acceptable" losses from theft. It says type and scale of security precautions have to be carefully considered.

A recent Home Office report, for example, supports the idea of parking bays for customers' bags, while items are purchased from self-service stores. The report acknowledges the scheme is unlikely to be popular with retailers.

Other recommendations such as broader aisles (to increase visibility) and stricter control of shop displays (to reduce temptation) will no doubt be weighed against loss of valuable selling space and reduced attractiveness.

It does not, however, see any need for changes in the law to protect the public from unfair or unnecessary prosecution. It notes that in 1981, more than 47,000 cautions were given by police in respect of shop lifting offences compared with almost 76,000 offenders found guilty of shoplifting at magistrates' and Crown Courts.

"It is of interest that only 4,314 of those found guilty were aged 60 or over," said the Home Office. Compared with 76,000 offenders found guilty, ony 6,146 of those prosecuted were acquitted.

Baroness Phillips, director of APTS is particularly concerned at the increasing violence to shop staff.

In a bid to combat shoplifting the association promotes small local anti-theft groups among retailers which get together to assist each other on matters like staff training and to provide early warning of shoplifters operating in their area.

An anti-theft group in Brighton, for example, has launched a two-way radio network which it says has already helped catch shoplifters.

Baroness Phillips says the best deterrent to shoplifters is well trained staff.

This too can present problems, particularly at times like Christmas when shops are staffed with thousands of extra part-time workers who cannot be expected to recognise all the deceptions worked by shoplifters.

# Manchester move could have wide implications

**Nick Garnett looks at the efforts made by the NGA and one of its branches to regain use of funds**

COMPLEX PRACTICAL and legal problems of sequestration formed two issues in yesterday's High Court hearing in Manchester between the National Graphical Association and the Messenger group of newspapers.

Firstly, counsel for the union sought a relaxation of the full sequestration order to allow the NGA to use some of its funds for lawful purposes. This matter was adjourned until Wednesday to see whether the union would agree to what in effect would be a legally binding trade-off—*in which the union would secure* a formula to allow it to use some of its funds in return for accepting certain built-in safeguards and co-operating much more fully with the sequestrators

Secondly, the Manchester Graphical Society successfully claimed before Mr Justice Eastham, that as was a separate though not autonomous body within the NGA, and that, as the NGA had no power over the use of bulk of the funds in the Manchester society's accounts those monies, apart from the funds specifically collected on behalf of the NGA, should be freed from the sequestration order.

This ruling could have significant implications for other branches of the NGA, which claim a similar relationship between themselves and the union.

On the first issue. Mr Terence Rigby, counsel for the NGA, said the union still had liquid funds exceeding the £525,000 of fines imposed by the court yesterday. It was seeking an order allowing it to deal with such matters as the provident und, benefits and officers' wages.

Justice Eastham said counsel had put its casewith "a good deal of force," but asked how he could trust the union's executive. He said: "I haven't got much confidence at the moment in the executive of the union honouring their word."

Counsel for the sequestrators said, in effect, that the sequestration commissioners were not against such a relaxation in principle but they would want some safeguards and other concessions.

The two-day relaxation of the sequestration order by the Appeal Court had caused the sequestrators "considerable practicale difficulties." On one of those days, they had to deal with 60 telephone calls relating to payments concerning 74 separate bank accounts.

The seqquestrators suggested the possibility of establishing a single bank account funded on the basis of what the union expected to be legitimate outgoings.

The union would be free to draw on that account, but there would need to be regular financial reporting to the sequestrators, *preferably in the form* of certificates from the union's own auditors.

Some of the specific practical problems facing the sequestra*tors were then introduced* by their counsel. The whereabouts of title deeds for properties and stocks and shares certificates were unknown. The union had *not supplied information* on these matters but the sequestrators wanted to know where they were and perhaps take them into possession.

Counsel for the sequestrators then brought up the matters of the union removing equipment from its head office, assets in branches, and the substantial *income accruing to the union* every day, some of which was now being moved around by union members and representatives as cash, rather than through accounts.

In particular, the sequestrators pointed to the substantial sum of money transferred on November 18 (before the sequestration order) by the union from an English branch of the Bank of Ireland to the bank's Dublin head office.

The Bank of Ireland had told the sequestrators that the money it held was not within the sequestrators' jurisdiction.

Cousel indicated that it wanted an instruction issued by the court to the NGA to bring that money back to England.

Summing up the position, Justice Eastham said the sequestrators wanted union co-operation on obtaining share certificates and deeds, a union undertaking that contributions be paid into bank accounts and to bring back funds transferred to Dublin.

The application on behalf of the NGA for a relaxation of the order was adjourned until Wednesday to see whether the NGA would agree to these things and *to let the sequestrators know* exactly which payments it wantedto be continued.

He also granted an injunction restraining the NGA from operating or disposing of monies held by the Bank of Ireland.

On the second issue, Mr John Hand, representing the Manchester Graphical Society, referring to an affidavit from Mr Arthur Perrin, the society's branch secretary, said the society was a branch of the NGA, but was a separate though not autonomous body, founded in 1797. Though not an autonomous body, most of its funds were autonomous.

*It collected subscriptions on* behalf of the NGA, but also collected its own subscriptions. For all the society's monies, apart from those subscriptions *collected on behalf of the NGA*, the NGA had no power to tell the society what it should do with them.

It had two Co-operative Bank *accounts concerning a retire*ment benefit fund, two deposit accounts of its own funds, and a current account made up partly of subscriptions to the *society and those collected* on behalf of the NGA. The last two elements, however, could be separately identified.

Counsel for the sequestrators said there was a strong case for saying the society was part of the NGA and so were its funds, however they were arranged.

Justice Eastham, however, ordered that, as all accounts other tha nthe current account were the property of the society, they should be freed from the sequestration order.

He further instructed that, out of the £14,000 in the current account, £4,490, which represented NGA subscriptions, should be hived off into a separate bank account covered by the sequestration order and that all further subscriptions received by the Society on behalf of the NGA should be paid into that account.

# Judge doubts if pickets were peaceful

FINANCIAL TIMES REPORTER

MR JUSTICE EASTHAM, in fining the National Graphical Asseociation again for contempt of court, said it was absolutely plain on the evidence that in breach of an *injunction not to do so*, the union had induced enormous demonstrations outside the Warrington premises of the Messenger group.

The NGA was fined £525,000 on two charges of contempt of injunctions granted to stop picketing at the Warrington plant.

Insisting the union was trying to destroy by force the business of the company, the judge said Mr George Jerrom, NGA national organiser, had admitted he was taking the attitude that nothing should get into the Warrington plant and nothing should get out.

He said: "The whole tenor of the evidence shows that whether they were linking arms or tying themselves together, the *so-called* pickets were doing their utmost to bring Mr Shah and his company to heel by preventing vans carrying newspapers to *leave the premises.*"

He doubted the activities outside the Warrington plant were peaceful demonstrations.

*In an affidavit, Mr Jerrom* said Mr Shah would not have been able to see what he on windows. He said: "I claimed because of boarding deny that pickets threw stones, rocks and other missiles at the premises." Those who were responsible were local youths who had no connection with the NGA.

Mr Shah said the incidents at Warrington continued *through the night*, "*with* people throwing stones and fighting with police officers."

The judge said: "I have no hesitation in accepting the evidence of Mr Shah, who has always been very careful in all his affidavits to give a restrained account. He is not given to exaggeration."

● In a letter to Mr Shah yesterday and later released, Mr Lloyd Turner, editor of the Daily Star, said that reported *discussions* between *him* and Mr Shah had never taken place.

# NGA and Shah are further apart after week-long talks break down

BY PHILIP BASSETT, LABOUR CORRESPONDENT

IN THE short term, yesterday's court judgement puts a full-stop against efforts to draw the two sides back together in talks about the Warrington dispute—as opposed to the legal ramifications which surround it.

The new fine, though, is only the most public acknowledgement that a week of talks *between* Mr Eddie Shah and the NGA under the auspices of the Advisory, Conciliation and Arbitration Service were ultimately fruitless.

After 37 *hours with* Acas this week, during which the two sides were together for only a strained 20 minutes or so, they are probably further apart than ever on their root *difference*: the NGA wants a post-entry closed shop at Warrington, and Mr Shah does not.

From noon last Monday, until 2.30 am yesterday, the Acas discussions circled that central issue. After a week of statements, of suggestions, of exchanges, of waiting, things ended with neither side shifting an inch.

Mr Shah held the upper hand all week. He had weathered the *terrible storm* of last week's picketing at Warrington. He had got his papers out. Above all, the inexorable pattern of the law—the NGA's defiance of it, and the resulting fine— was strongly in his favour.

Having sought the truce, the NGA was weaker to begin with. Shaken by the unsuccessful picket at Warrington, despite its size, and being hammered financially, it remained so.

Both these overall positions, though, mask more complex undercurrents. Though apparently effortlessly confident, Mr Shah's industrial relations inexperience showed through in his pre-arranged statements, issued periodically from his team's room after legal consultation.

Although weaker, the NGA's *traditional industrial resilience* kept bursting through; hard-liners on the NGA's team were shouting down compromise proposals presented to them by Mr Tony Dubbins, *the NGA's gen*eral secretary-elect.

The decision to conduct the talks in writing also hampered progress. It left precious little *room for the real methods of* conciliation.

Much time was spent by all involved simply waiting around in separate rooms for another *party to come up with* another written statement.

Some progress was made, though. Mr Shah clearly felt the NGA were on the ropes on Wednesday night, when to the astonishment of all, the NGA seemed to be agreeing with the idea that a closed shop at Warrington could take into account the wishes of the existing employees on whether they wanted to join a union. Mr Dubbins had never seemed so conciliatory.

On Thursday morning, with the talks due to resume in London that night, the employers were hopeful that the NGA *might climb down. Instead*, the union that evening said if it was a matter of principle for Mr Shah, it was for them too—and they would take it to their *national council meeting today.*

One condition, though — that Mr Shah call off the court action. The employers' side again refused to use the courts as a bargaining counter, insisting it was not up to them whether to co-operate. The court was insistent on proceeding — and the severity of the judge's remarks yesterday seemed to bear out the employers' view.

There were other proposals: that after a truce, the NGA accompanied by Acas officials, could address the Messenger employees, trying to persuade them of the advantages of union membership. With the pickets lifted, the NGA felt it might stand a better chance than in the highly-charged recent atmosphere.

Another was the second seven-day cooling off period, which in practice could well have extended into January. It would have lasted till next Friday, and very few pickets would probably have turn up at Mr Shah's last due print run before Christmas on December 20. The holiday period itself would push the effective truce length even further on, leaving almost a month for things to cool down and for interventions to take place.

Still another proposal was Mr Shah's idea to sell the Fineward typesetting plant in Stockport where the six NGA members sacked for striking in support *of the closed shop* were originally employed. The resulting co-operative would be contracted to work for Messenger, but its separate identity would allow *honour on all sides. The suggested* price of £40,000 is considerably less than the NGA's current level of court fines.

Reinstatement of the six in some form such as this is still possible, and still likely. It may be all that the NGA can get out of the whole dispute, though. Recognition of the union's closed shop case seems further away than on November 20, when a post-entry closed shop was agreed by Mr Shah as part *of a wider package*, and further way than a week later, when settlement again seemed possible.

The NGA may well have simply to resign itself to being in long-term dispute with the Messenger, gradually scaling down its pressure on the employer, and trying to play down the significance of conceding on such a vital issue for the union.



# *Record prices but dud issues*

## LONDON

ONLOOKER

The FT 30-Share Index recorded an all-time high on Tuesday, went even higher on Wednesday and repeated the *trick again on Thursday*. In four days the Index was up by 18.9 points to 760.2. And the 30-Share was not alone in producing records. The broader based FT-Actuaries indices broke into unchartered waters as well with the All-Share rising a full percentage point on Thursday alone to peak at 468.03.

By Thursday evening it looked as if there was no stopping equity prices, prompting remarks such as "The market has only one way to go—up." Yesterday it showed just how easily it could slip into reverse gear. On Thursday London had shrugged off a weak start on Wall Street but the mood had changed by Friday morning as dealers settled down to their desks with an overnight fall in the Dow Jones of 11.89 points and long dated bonds in sharp retreat.

By the close yesterday the account's 27.1 point gain by the 30-Share Index had been whittled back to 24 points. Even so, compared to the December trading of the past few years the market has got off to a rip roaring start.

Perhaps one of the main features behind the change of heart towards equities is the thought that institutional and *private investors' coffers could* be swelled by close to £1bn when Eagle Star finally succumbs to one of its suitors. That sort of cash neutralises *much of the concern that insti*tutional cash flow towards equities in 1984 would be under pressure because of the Government's privatisation programme.

*Yesterday's brief setback is* unlikely to signal a reversal of the recent trend. Despite the qualms some analysts feel when looking at the fundamentals of *yields on the All-Share heading* down to 4¼ per cent, the market has got the bit between its teeth and is unlikely to be swayed from its chosen path.

The gilt market had a less exciting week. Fears of higher *funding requirements and sight* of sterling hitting new lows were briefly shaken off when the November money supply figures were released. However, a short burst of enthusiasm was rewarded by the Government Broker feeding out £500m of taplets and by the end of the week the mood seemed generally dour.

On the new issue front serious doubts are being raised about tenders. At the end of last week 30 per cent of the Government's sale of 100m shares in Cable and Wireless was left with the underwriters. At a minimum price of 275p each that left the institutions picking up £82.5m of stock.

Midweek, Dataserv, a U.S. computer company which decided to join the London market with an offer for sale by tender, met with a similar response. Again applications were about 30 per cent short of target and the underwriters had to earn their fees. Finally VG Instruments, a high-tech company spun out of the industrial arm of Eagle Star, attracted an even worse response—underwriters had to take up half of the issue.

Why have tenders turned sour? Arguably there are just too many of them coming *along. More significantly* the minimum tender prices are being pitched not at a safety net level but at a realistic market price. Small investors *can see that the prospects for* stagging profits are not good enough and the institutions in turn can see little reason to apply when they can pick up stock more cheaply as underwriters.

Nothing has changed much on the bids scene. When this column appeared last week BAT had topped the £900m bid for Eagle Star from Allianz by £13m and the City was primed for the West German insurance group to come back with an *even higher offer on Monday*. But all Allianz actually delivered was a statement that it wanted more talks with Eagle Star on Thursday. Both sides sat down on the appointed day, a tense affair by all accounts, but Allianz is yet to make its move and yesterday was given another week by the Takeover Panel to make a decision.

### *No luck Mukluk*

Mukluk should have been one of the most expensive oil wells ever drilled. This week it turned out to be the most costly water hole in history.

British Petroleum's 53 per cent owned subsidiary, Sohio, had spent a year and around $130m building an artificial island a few miles off the frozen north Alaskan coast in its search for a major oil find. This week, at a depth of 8,145 feet, drilling stopped: instead of oil there is water. BP's share price fell 24p wiping £440m off the group's capitalisation by the end of the day.

The consortium will drill down another 1,600 feet or so and may try its luck to the side of the main well but the unpleasant reality staring BP in the face is that the bonanza it *had hoped for just isn't there.* The oil was present once but that is scant consolidation to BP which directly, and through Sohio, has sunk £270m into *Mukluk, perhaps even worse*, the high hopes of boosting its assets by £1bn are now about as hollow as the barrels for Mukluk and a hole is appearing in BP's production schedule for the early 1990s.

There is nothing surprising about a dry well, they happen all the time; for the drill rigs can expect to record nine misses out of every ten holes. Yet what is so surprising about Mukluk is that it had been regarded as one of the most likely oil bear*ing areas in the Beaufort Sea.* BP had allowed expectations of success amongst investors to reach the level of an assumed certainty. Indeed belief in *Mukluk* was one of the most powerful factors behind heavy buying of BP equity in the U.S. recently.

The news could not have come at a worse time in many respects. The final call on the partly paid shares sold off by the Government is due in January and the whole sector is suffering from a bout of jitters over the latest Opec meeting where, as has become the norm, members were airing diametrically opposed views on prices and quotas.

### *Trafalgar House*

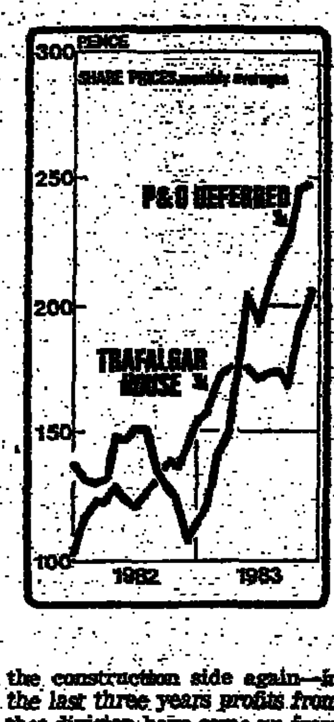
The guessing game over the fate of Trafalgar's bid for P&O looks set to drag on well into the New Year. Earlier this *week, when reporting* Trafalgar's full year figures, chairman Mr Nigel Broakes told shareholders that the Monopolies Commission's report on the bid should be out a *few days* ahead of Christmas. Allowing time for Mr Norman Tebbit, the Trade and Industry Minister, to fit in some reading time over the festive season, a decision was expected early in January.

Yesterday, however, it was announced that the Commission had been given till February 20 to report, so shareholders will have to twiddle their thumbs a bit longer.

If Trafalgar is given a green light—and Mr Broakes said earlier this week he thought there was a 75 per cent chance of getting clearance—it is by no means certain that it will renew its attack, though P & O's position does not look as safe as it did a few months back.

In the past two months Trafalgar's share price has risen by a quarter, partly in expectation of the buoyant full year figures revealed this week, but also partly because the City is *coming to the conclusion that the* bid will not be renewed. Perversly that reaction could give Trafalgar the muscle to enter the fray again. Such has been the price movement that the original five-for-four paper offer would produce a value similar to P & O's current market capitalisation.

As for Trafalgar's full year figures, these turned out to be every bit as good as the market had been hoping for. Pre-tax *profits for the year to Septem*ber rose by a fifth to £79m, even though property sales were sluggish. The star performer was the construction side again—in *the last three years profits from* that division have come up from £23¼m to £59.9m. With the brokers' analysts looking for further growth from 1983-84, to £95m or so, the consensus view is that the company's shares are under-rated, no matter if it bids for P & O or not.




### *BOC's year*

A 7 per cent profits slip by BOC to £95.8m for the full year was brushed aside by a market more impressed with the strength of the upturn in recent months and the likelihood that the trend will continue into the current year. In the last quarter to September the group's modified historic profits rose from £27.7m to £31m. On a day when the FT 30 Share Index recorded a new all-time high, BOC's share price played its part as a 30-share Index constituent with a 14p rise to 260p.

*Industrial gases remain* the core of the business and in the U.S. the market improved substantially in the spring helping, with a more modest upturn in Europe, *to lift divisional operat*ing profits from gases by £18m to £121.6m. Health care products showed a performance to justify the increasing involvement in the sector. Reported profits are up from £29.6m to £55.3m and, stripping out acquisitions, the underlying growth rate comes out around 13 per cent.

The welding business continues to make losses but £3m of the £13.8m deficit represented *rationalisation costs incurred in* the U.S. Carbon and Carbide fell from profits of £3.3m to losses of £10.5m but again £8.4m of the drop can be attributed to one-off start up and rationalisation costs. Both divisions are on line for loss elimination this year.

So at the end of a year which had looked like being a real hard grind, BOC has come through relatively unscathed and with these figures on the table forecasts for the current year were quickly upgraded this week. With the health care division coming through strongly backed by further gains from industrial gases BOC profits could reach £130m to £135m for the year to next September.

## RECENT EQUITY RISE TO RECORD LEVELS

The following table lists the performance of the FT 30-share index and its constituents over the last four Stock Exchange trading accounts. The FT Gold Mines index is also shown.

| | Price y'day | Change since 14.10.83 | 1983 High | 1983 Low |
|---|---|---|---|---|
| F.T. Ind. Ord. Index | 757.1 | +78.6 | 760.2 | 598.0 |
| Allied-Lyons | 147 | +15 | 153 | 129 |
| Assoc. Dairies | 154 | +36½ | 156 | 105 |
| BICC | 240 | +20 | 290 | 210 |
| BOC | 260 | +28 | 260 | 176 |
| BTR | 416 | +59 | 417 | 252 |
| Beecham | 318 | +16 | 411 | 300 |
| Blue Circle | 426 | +16 | 483 | 383 |
| Boots | 180 | +36 | 182 | 110 |
| Bowater | 240 | +42 | 249 | 153 |
| BP | 392 | −30 | 452 | 296 |
| Cadbury Sch. | 110 | +14 | 131 | 96 |
| Courtaulds | 130 | +41 | 130 | 69 |
| Distillers | 230 | +20 | 264 | 207 |
| GEC | 193 | +13 | 250 | 176 |
| Glaxo | 730 | +20 | 990 | 625 |

| | Price y'day | Changes since 14.10.83 | 1983 High | 1983 Low |
|---|---|---|---|---|
| Grand Met. | 345 | +42 | 366 | 297 |
| GKN | 174 | +13 | 187 | 109 |
| Hawker Sid. | 352 | +76 | 406 | 270 |
| ICI | 650 | +76 | 656 | 350 |
| Imperial Group | 134 | + 9 | 136 | 108 |
| London Brick | 104 | + 7 | 106 | 62 |
| Lucas | 170 | +30 | 175 | 124 |
| Marks & Sp. | 218 | +20 | 225 | 191 |
| P. & O. Dfd. | 243 | +11 | 257 | 108 |
| Plessey | 223 | +24 | 255 | 177½ |
| T.I. | 156 | +24 | 180 | 130 |
| Tate & Lyle | 383 | +43 | 410 | 209 |
| Thorn EMI | 643 | +75 | 645 | 416 |
| Trusthouse Forte | 177 | + 6 | 196 | 150 |
| Vickers | 122 | +14 | 137 | 86 |
| Gold Mines Ind. | 567.2 | +16.1 | 734.7 | 444.6 |

# *Rudderless days*

## NEW YORK

TERRY DODSWORTH

WALL STREET has been listening attentively to great men this week and it has learned very little from the experience.

On Monday Mr Paul Volcker, the Master of Complex Syntax who presides over the Federal Reserve Board, gave one of his more deliberately obtuse speeches.

After agonised reflection, watchers finally came to the conclusion that what he meant to say was—possibly—that the Fed was not yet tightening its monetary policy.

Bond prices went up and equities followed.

What was Mr Volcker pointing to. By Tuesday the markets were beginning to fall prey to second thoughts leaving prices all over the place until Mr Donald Regan, Treasury Secretary, made the blindingly obvious observation that the Government's deficit could be a problem 12 months from now.

In spite of the fact that this truism has been debated endlessly by Wall Street and academic gurus over the last month the market immediately went into a *tizzy on Thursday*, knocking the Government's long bond down by a point to 100½, its lowest level for a month. Equities again followed with the Dow Jones industrial average reeling back by 11.89 points.

Obscurity or banality has never, quite rightly, been a reason for ignoring the words of influential figures. But the nervousness of the reactions this week doubly demonstrates how rudderless the markets are.

There is an uneasy feeling about the way that positive movements in any direction seem more or less stalled in virtually every area. The equity market has taken some cheer from the strong first quarter figures but has not yet made a decisive drive out of the 1220 to 1270 trading range of the last four months.

Bond yields are similarly stuck in the 11-12 per cent range and the dollar seems to *be defying some of the basic* flaws of physics as it strengthens in spite of all the contrary forecasts of the last 12 months.

These are fertile conditions for the "something has got to happen" brand of theorising. Hence the current premium on caution and hedging — in the equity market, for example, the trend is away from the higher risk speculative stocks; when the DJIA rose 5.29 on Monday, the 30 blue chip stocks which make up the index performed much better than the rest of the shares quoted on the New York Stock Exchange. This is a sure sign that investors are looking for safety first, with guaranteed liquidity if they change their minds.

The main factor still providing steady support for *equities is the strength of the* profits recovery. In spite of one or two negative indicators this week, such as a mid-November dip in the car sales growth *rate and a decline in housing* starts the economy still seems to be racing ahead faster than most economists had expected.

Corporate profits are consequently predicted to hold up well in the present quarter and next. Provided interest rates remain relatively stable this could give another boost to the bull market over the next few months though as Drexel Burnham Lambert pointed out in its pre-Christmas briefing this week, the increase in aggregate earnings has matched some extremely volatile results.

Drexel puts this variability down to the process of disinflation, which has maintained pressure on prices in many sectors.

Picking the winners in this new deflationary climate is a game that is increasingly being played by a new kind of Wall Street animal—the leveraged buyout specialist. This week provided three examples of this phenomenon with a $580m *offer for the Dallas based* Dorchester Gas Oil and Gas Exploration company, a $520m counter bid for Doctor Pepper the soft drinks company and *often* valued at more than $1bn—the highest leveraged bid yet—from Metro Media's own management.

At the same time Hyster, the West coast forklift company, disappeared into private ownership following a similar $338m leveraged management buy out.

*As this kind of take-over idea* has become more fashionable, the buy out prices are also offering shareholders some pleasant windfalls. Indeed, although *some of the offers look to be priced at fairly fancy* levels—20 times most recent years' earnings is by no means unusual—this is partly because the leverage specialists are *looking for companies* that should be moving into a recovery phase. Hence they are catching them when the shares maybe undervalued in the *market on the basis of prospec*tive earnings.

At Dorchester, for example, the offer price of $22.50 a share compares with recent trading of around $14 and represents a 36 per cent premium on the pre offer suspension price of $16.50.

Metro Media's shares have recently been selling at around $24 and opened at $35 after the bid, while Dr Pepper's shares have traded as low as $11½ over the last 12 months and are now *standing at almost $22.*

| | | |
|---|---|---|
| MONDAY | 1270.53 | + 5.29 |
| TUESDAY | 1269.31 | − 1.22 |
| WEDNESDAY | 1273.78 | + 4.47 |
| THURSDAY | 1261.89 | −11.89 |



## SAVINGS OFFERS



## UK CONVERTIBLE STOCK 10/12/83

Statistics provided by DATASTREAM International

| Name and description | Size (£m) | Current price | Terms* | Conversion dates⊕ | Flat yield | Red yield | Premium† Current | Premium† Range‡ | Income Equ§ | Income Conv¶ | Income Div♡ | Cheap(+) Dear(−)◇ Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| British Land 12pc Cv 2002 | 9.60 | 324.50 | 333.3 | 80-91 | 3.7 | 0.1 | −3.6 | − 4 to 4 | 44.8 | 59.5 | 4.4 | + 8.0 |
| Hanson Trust 9½pc Cv 01-06 | 81.54 | 258.50 | 107.1 | 85-01 | 3.8 | 0.5 | −8.6 | −12 to −3 | 153.5 | 73.0 | −28.5 | −19.9 |
| Slough Estates 10pc Cv 87-90 | 5.03 | 265.50 | 234.4 | 78-84 | 3.8 | | −3.6 | −12 to −5 | 6.6 | 0.0 | − 2.3 | + 6.4 |
| Slough Estates 8pc Cv 91-94 | 24.72 | 121.50 | 97.5 | 80-88 | 6.6 | 4.5 | 0.5 | −38 to 7 | 21.6 | 24.8 | 2.7 | + 2.2 |

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value or underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

# Mists and mellow fruitfulness

AUTUMN, the poet Keats tells us, is the season of mists and mellow fruitfulness. While no-one would want to quibble with a truth so beautifully expressed, it must be admitted that Keats was only half right so far as the mining industry in this autumn is concerned.

Of mellow fruitfulness, or indeed any other kind of fruitfulness, there has been precious little sign. The recovery in mining company profits which became increasingly evident

## MINING

GEORGE MILLING IN STANLEY

during the first half of the year seemed to fizzle out during the third quarter, and few people are expecting much better in the current three months.

The mists, however, are very definitely with us at the moment. It can rarely, if ever, have been harder to see with any degree of clarity what metal prices are likely to do over the course of the next few months.

In any event, as usual at this time of year, this column will in a few weeks be turned over to the heads of some of the world's leading mining companies. No doubt most of them will have something to say about metal prices from their own perspectives, so I shall make no predictions of my own.

There is, however, an interesting consensus emerging among analysts of the mining scene, after months of widely diverging views, and that is worth recording here.

Buckmaster and Moore were extremely prescient in their latest report, suggesting that the gold price might be in for a period of temporary weakness. This report arrived on my desk yesterday morning, just as bullion was dipping $10 or so below the $400 level.

What Buckmaster and Moore's analysts are expecting is an upward move in precious metals, fuelled initially by the consumer spending boom over the Christmas period.

Next year, they expect other metals to benefit from the increasing impact of the capital goods sector on the economic recovery, while manufacturing jewellers are likely to be replenishing their depleted stocks.

Thereafter, real interest rates are likely to come down as inflation rises in the major economies of the U.S., Japan and Europe, making gold much more attractive as an investment.

That, in turn, should be self-fuelling, as increased demand will lift prices, thus improving the metal's attractiveness.

Sheppards and Chase also expect an upturn in the bullion price in the new year, although they feel that the metal is likely to trade for about a month at around the $400 per ounce level before the "sustained upward movement" takes place.

Their analysts also mention the debt crisis facing the less developed countries, which they feel is still growing day by day. This is another bullish factor for gold, as the less confidence people have in paper currencies, the more they turn to investing in gold as a haven for their money.

That, then is the picture which is emerging from the analysts, with the scene set for a rise in metal prices, especially precious metals, early next year. The mining industry must be praying that the analysts have read the signals correctly.

Apart from guidance on likely prospects for metal prices, investors will probably welcome the shedding of some light on the latest currency moves in Australia.

Mr Paul Keating, Federal Treasurer, announced yesterday that the Australian dollar will be allowed to float. This is necessary, he said, because of a high inflow of speculative capital, and his department's advice that this inflow is likely to intensify.

The news caused a sharp sell-off in Sydney and Melbourne share markets, with most of the leading mining stocks losing 10 cents or so.

That is because the Australian dollar is expected to rise against its U.S. counterpart, thus cutting the companies' receipts for exported mineral products in terms of the local currency.

Most commentators are looking for a fairly substantial rise in the Australian dollar initially, but they expect the appreciation over the longer term to be only up to about 3 per cent.

While an increase of this order would go some way towards offsetting the effects of the 10 per cent devaluation earlier this year, it is hardly likely to have a dramatic impact on the profitability of the Australian mining industry.

At all events, the Australian dollar gained a mere 1 per cent yesterday against the still strong U.S. dollar.

# Nagging a lessor

BY OUR LEGAL STAFF

**I live in a small block of five leasehold flats in a converted house. My neighbours are trying to sell their flat, and for the fourth time have lost their purchasers due to a defective lease, which has only now come to light. Apparently there is no clause saying that a lessor is not obliged to enforce one tenant against another (eg if the outside were to be decorated and one tenant refused, he would not be obliged to agree). The freeholders refuse to amend the lease, and due to this fact, several local estate agents will not even contemplate having one of our flats on their books to sell. My neighbours' solicitor has pronounced the flats "unsaleable" as the lease stands at present.**

**We would like to purchase the freehold ourselves. Our ground rent is only £5 per annum, and we understand the purchase price should not exceed 10 times this amount. However, the freeholders will only sell us the freehold at the cost of £1,000 per flat. Do you have any suggestions as to how we may proceed?**

You cannot force the freeholder (lessors) to sell, or to amend the lease. If there are covenants in the leases under which the lessor undertakes any repairing or maintenance responsibility you may be able to nag the lessors into a more amenable frame of mind by constant requirements that they attend to various items of disrepair. If there is no covenant at all in which the lessors undertake repairing or maintenance obligations you have virtually no leverage to procure a sale at a reasonable price.

## House divided into two

**At present we inhabit the larger portion of a house but will shortly have the possibility of buying the back part of the house (at present quite separate). We are considering turning this back part into flats to rent out. Would it be to our advantage to make a doorway between the two parts of the house (thus rendering it one house) or to keep the two separate and have two sets of rates?**

**Would planning permission be required to reconvert two dwellings to one? And would any special form of insurance be required for the part of the building (or separate building) being let out as flats?**

The mere making of a doorway would not prevent the premises being rated as separate hereditaments if their actual use were as two or more separate dwellings.

Planning permission would be needed for the change of use which you describe. No particular form of insurance is required in law, but it may be wise to consider whether a more apt form of cover for the flats should be sought. You may wish to consult an insurance broker in this respect.

## Not permitted not lawful

**As I am in some conflict with the local council for using my house for purposes other than residential and have done so since 1970, and am surrounded by other business premises can you give me a brief summary of the Town and Country Planning Act 1971?**

Under the Town and Country Planning Act 1971 a use which is not a permitted use cannot become lawful, however long it has continued, if the use commenced later than 1963. The Act is a major statute and we do not feel able to summarise it for you You may find a useful guide in An Outline of Planning Law by Sir Desmond Heap.

## Non-residents and tax

**I write to enquire the position of a person living abroad who is non-resident and not ordinarily so, who has two flats in the UK, one of which is rented. Is one allowed to deduct building society interest, rates, electricity, etc, from the rents? If the tenant pays the 30 per cent to the local tax man will he take into account the above items and allow a refund of the overpaid tax, or if an agent collects the tax can he deduct the allowed items and, remit the balance (if any) to the tax man with a rent statement? Double taxation does not come into this matter because as a recent emigrant to South Africa one is not taxed on income earned outside South Africa.**

The answer to each of your questions is yes, in principle. You will find detailed guidance in two free booklets, which are obtainable from your UK tax inspector:

IR11—Tax treatment of interest paid:

IR27—Taxation of income from real property.

You may also like to ask for a copy of IR20—Resident and non-residents: liability to tax in the UK.

## A nine month sabbatical

**I should be grateful for your advice. I am a self-employed NHS medical practitioner, and have been granted sabbatical leave to work abroad for nine months. Can I claim, for purposes of income tax, the cost of my air fare and any living expenses during the period of this sabbatical leave?**

The answer is almost certainly no.

You will find general guidance in a free booklet IR25 (Taxation of foreign earnings), which is obtainable from your tax inspector's office.

## Scottish bank notes

**Could you kindly tell me if Scottish bank notes are legal tender in England and Scotland?**

**If not, is there any unwritten agreement concerning the encashment of Scottish notes by English banks?**

Scottish bank notes are not legal tender (strictly speaking, not even in Scotland) but they are accepted as if they were legal tender in Scotland. In England and Wales, banks are not obliged to accept Scottish notes, though they will usually do so. If necessary you would have to apply to the Scottish bank which issued the note in order to redeem it. All three Scottish issuing banks have offices in London.

## Joint account rights

**If I deposit a sum with a building society, to form a joint account in the names of my daughter and myself, would this be a gift to my daughter for tax purposes? If I should die first, would this capital all still be part of my estate? Could we both draw out the interest (and the capital) without conditions?**

The deposit would be a gift unless you so operate the joint account as to demonstrate that in reality you retain sole control of the money. On a true joint account none of the money in credit there is comprised in your estate on death: the doctrine of survivorship automatically vests the whole credit balance in the survivor. Both, or either, of you can withdraw principal or interest; and it is important to do so if you are to avoid a claim that there was no true joint account.

## CGT losses appeal

**In accordance with your recommendation, I have asked the Tax Inspector to confirm that he will not object to my application (under section 44 (3) . . .) for both my 1981-82 and 1978-79 CGT losses appeals to be transferred to the Special Commissioners' list.**

**From the "Notes for Parties to Appeals . . . before the Special Commissioners," I see it is desirable that in advance of the hearing an agreement should be reached with the Revenue on the precise questions at issue, as well as those points that are not in dispute.**

**When I receive the Inspector's confirmation regarding the transfer of my application to the Special Commissioners, should I arrange a meeting with him in order to determine these questions that I require the Commissioners to decide upon, or should this meeting be left until a date for the hearing has been fixed?**

The advice mentioned in your second paragraph holds good for appeals to General Commissioners as much as for appeals to the Specials.

A letter summarising your contentions in support of the 1981-82 appeal could be sent to the inspector, whenever convenient, with an invitation to him to indicate which points he disputes (the points should be numbered for reference). You could say that you will await clarification of his views on each point before preparing a corresponding summary for your second appeal, in respect of 1978-79.

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

## Use of house and CGT

**CGT" (October 29) you say "An Exemption is available for Gains accruing to trustees on the disposal of a house if during the period of their ownership of it the house has been occupied as his or her only or main residence by a person who is entitled to occupy it under the terms of a settlement or by a beneficiary who has occupied it with the permission of the Trustees." I am a widower who did occupy my late wife's house as sole occupier under her will and did let on restricted short lease this property for three years limited period. The Trustees did not let or lease the house only I did so pending the sale—this was up to 1980. Then it was sold at a profit to the Trustees and vacated by me. Is this free of CGT? Please quote statute reference and if there is apportionment of some CGT how do I apportion tenants' occupation part of the CGT?**

The relevant provisions are section 104 of the Capital Gains Tax Act 1979, extrastatutory concession D5, and possibly section 80 of the Finance Act 1980; the apportionment rules are in section 102(2) of the CGT Act (as contract was signed after April 5 1980).

The free booklet of extra-statutory concessions, IR1 (with supplements), is obtainable from any tax inspector's office.

Unfortunately, we cannot give you a clearcut answer, without more precise details.

## Control of a pension fund

**The trustees of an exempt approved Pension Fund have considered for some time removing control and assets of this fund from the UK to an overseas location. Are there any legal impediments to such a removal? Can the Superannuation Funds Office object in any way?**

There is nothing to prevent the removal of control and assets overseas if the Trust Deed does not prohibit it, but this would probably lead to loss of exemption.

OPPORTUNITIES for private investors to take advantage of the Business Expansion Scheme (BES)—which offers full tax relief to individuals putting new equity into unquoted businesses—are now getting scarce. The last of the well known investment managers formally closed their funds this week leaving only a handful of less familiar licensed dealers to mop up any stragglers.

Interest in the BES, however, is not likely to die down. Concern is now being voiced that the need for managers to find suitable investments by April 5 next year will inspire an unseemly scramble "to get rid of the money at all costs." The problem is that, under the current rules, investors' capital has to be invested by the end of the financial year to obtain tax relief on 1983-84 income.

The fear is that some funds may make rash judgments and back a disproportionate number of companies which come to grief, thereby not only letting down their own investors but bringing the whole area of venture capital into disrepute.

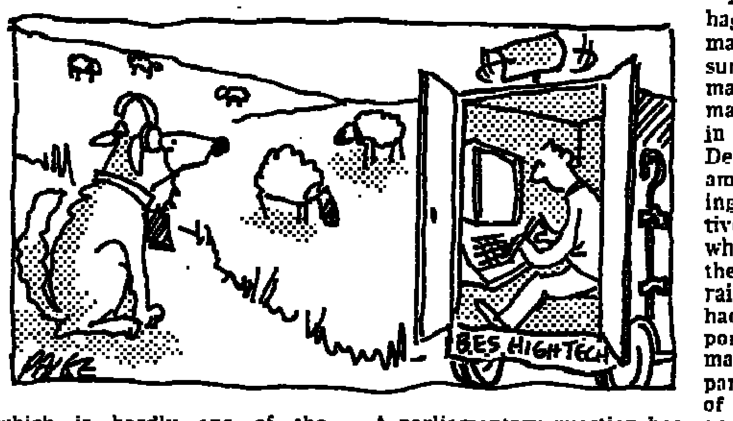
Submissions from some managers have been sent to the Inland Revenue requesting a relaxation in the rules. But so far there has been no response.

Another issue unlikely to disappear is the raising of an estimated £1m of funds under the BES to invest in agriculture

## BUSINESS EXPANSION SCHEME

# *Farmers corner high-tech funds*

**TIM DICKSON surveys venture capital investments**




which is hardly one of the modern, high technology industries which were supposed to be stimulated. Opinion in the City and at Westminster is divided, but one lobby argues that the list of activities excluded from the BES, which covers financial services and land dealing, should be extended to farming.

A parliamentary question has been tabled by Tory backbencher Jeremy Hanley "asking Mr Chancellor of the Exchequer why he included agricultural trading within the scope of the BES and if he will make a statement."

Meanwhile, Britannia—best known for its authorised unit trusts—closed its fund on Monday at £1.5m and pronounced that it was "satisfied" with the response, although it hoped for £2.5m. Minster Trust expects £1.25m.—just what it says it needs to finance the seven or eight "suitable" unquoted companies so far vetted; although it hoped for up to £3m. County Bank, the National Westminster subsidiary whose fund also closed yesterday, was hoping to have around £2.5m in its kitty.

Although more than £30m has now been raised by managed funds since the early summer, the 30 or so individual management groups in the market have shared unevenly in the proceeds. Charterhouse Development and Lazards were among the most successful, taking in £3m and £5m respectively. Electra Risk Capital, whose fund was set up before the BES was launched, has raised £10m. But others have had difficulty attracting support. Criticisim of high management charges has been partly responsible but a lack of understanding of the scheme and worries about how to cash in the investments continue to deter investors.

Among the funds that remain, Sabrelance has been allowed to extend its offer to the end of December. Hill Woolgar, the USM issuing house, and the Ravendale Securities Bexfund are also still open.

**PROCEEDS OF £1,000 PROPERTY BOND INVESTMENT (IN £)**

| Company | Date of investment July 73 | July 78 | July 81 |
|---|---|---|---|
| AMEV Life | — | 1657.22 | 1198.44 |
| City of Westminster Farmland | 1195 | 923 | 796 |
| Equity & Law | — | 1941 | 1170 |
| Imperial Life | — | — | 1226.02 |
| Irish Life | 2574 | 1721 | 1173 |
| Lloyd's Life | — | 1805 | 1096 |
| London Life | — | *1595 | 1232 |
| Property Equity & Life | 1577.86 | 1376.30 | 1085.96 |
| Sun Alliance | — | 1806 | 1059 |
| Trident Life | 2642 | 1682 | 1092 |
| Tyndall Assurance | 2323 | 1732 | 1089 |
| Vanbrugh Life | — | 1428 | 935 |

* From July 1979

*Source: Money Management*

## NON-EQUITY MANAGED FUNDS

# *Becoming a bit of a landowner*

**Continuing the series, MICHAEL CASSELL reviews the prospects for property bonds.**

FOR MOST people the business of property investment rarely extends beyond the front door of their own home.

For those who believe there may be something more to real estate than the acquisition and eventual redemption of the mortgage on their house the property bond offers a chance to participate in a real-life game of Monopoly.

Most of the property funds are operated by insurance companies. Purchasers buy their way in either by paying a lump sum or by making regular premium payments. Minimum investment can be as low as £200 but £500 or £1,000 is more usual.

There is no regular, distributed income from the bonds though holders can cash in any proportion of their value, usually monthly or annually. Up to 5 per cent of the original investment can be withdrawn each year, free of all personal tax.

Beyond that level, tax liability is confined to higher rate taxpayers and to the payment of any investment income surcharge. The same applies when the bond is finally cashed in.

There is a normally "front end" management charge of 5 per cent and annual management charges range from ½ per cent to about ¾ per cent.

The advantages for the investor with limited resources or scant knowledge of the property market are clear. Their investment will be spread throughout a portfolio which should be mixed to provide a prudent cross-section of property assets. The choice of properties will be made by people best placed to make such decisions and the management operation will be someone else's problem.

There is also the prospect of investing in a fund which is big enough to undertake its own developments—like Abbey Life, Hambro Life or Sun Alliance—and therefore capable of increasing the profit potential.

But despite the wealth of talent available to ensure that the money is spent wisely, property investment remains a risky business and returns are subject to sharp fluctuations. To limit the risks, fund managers will go for a variety of properties and look for a blend of rental income and sound capital growth. The strategy is necessarily medium to long-term and few, if any, act in the capacity of property dealer, buying and selling to achieve overnight profits.

Property bond prices mirror the state of health of the direct property market. They reflect regular valuations, usually monthly or quarterly, of the fund's portfolio. Valuers normally employ an "offer" basis for their valuations, which asumes a fund does not have to sell any buildings or sites and will not do so unless it receives an acceptable return.

By contrast, a "bid" basis assumes the fund may be forced to sell and consequently produces a lower price. The property bond world was shaken in April when Vanburgh Life—part of the Prudential empire—switched from an "offer" to a "bid" basis in a desperate, and apparently successful, attempt to discourage investors from realising their units.

Investors wanted to get out for good reasons. While property bonds had notched up some excellent results during the previous five years—with prices for the leading bonds doubling—their performance had started to turn sour.

Over the last 12 months, the deterioration has continued and even the best performers have been hard-pushed to produce returns as high as 8 per cent. For recent investors in some funds, the short-term picture is far worse, with the value of their investments falling significantly below the original purchase price.

This is a result of changes in the property market. The demand for all types of accommodation has dropped, in some cases dramatically, and most rents and some property values have suffered accordingly.

The dismal performance has sent the major institutional investors scurrying for alternative investments. The latest survey by Willis Faber of 34 of the largest managed pension funds—which invest in a broad spread of assets including equities and gilts—shows that the average property content of their portfolios stands at only 8 per cent.

This figure does represent a marginal increase over the proportion recorded in the second quarter. But most believe that institutional commitment to property will remain extremely cautious

Needless to say, property bond people are among the optimists. According to Mr Wynn Evans, chief surveyor of Merchants Investors' Property Fund. "Next year could be a turning point for the market. But it would be naive to assume there will be a resurgence across the whole range of property activity.

"The structural changes which have been taking place throughout the economy over recent years have transformed the nature of the demand for business accommodation.

However, with agents like Hillier Parker May & Rowden this week reporting a further slowing down in the south of rental levels over the past six months, the type of revival which will bring bonds back into their own could still be some way off.

*Past performances show that* returns of 100 per cent or more can be achieved over a 10-year period and that 50 per cent should be the lowest target figure. Funds with ample exposure to retail property and to modern office space in prime locations can be expected to perform as well as any.

**NEXT WEEK: Currency Funds**

# *Buying against the trend*

**COLIN MILLHAM explains how to join the growing band of gold coin hoarders**

WORLDWIDE SALES of Krugerrands are booming at a time when the price of gold bullion is depressed. More of these gold coins were sold in the first 10 months of this year than in all of 1982, and the total of 378,693 oz for October represented a rise of 38 per cent over the previous month.

This may indicate a belief among the coin-buying public that gold is cheap at present, and that, although there is no sign of strong demand for bullion, this could be a good time to invest.

In terms of sterling, anyway, the fall in the value of gold has been much less than for the strengthening dollar during 1983, and against several other currencies gold has appreciated in value.

The Krugerrand, sold in four sizes from 1/10th oz to 1 oz, is the most popular gold coin.

The International Gold Corporation which may be contacted at 30 St George Street, London, W1, supplies copies of *The Krugerrand Directory* and the supplement *How to buy, hold and sell Krugerrands abroad*. These publications will answer almost every question the small investor needs to ask.

There are three major ways of buying coins, through a stockbroker, a bank, or a coin dealer. Major banks specialising in Krugerrand dealing are Barclays, National Westminster, Standard Chartered and Royal Bank of Scotland. Barclays and National Westminster alone provide a total of over 6,000 branches where coins can be ordered.

Banks will generally sell or buy back a single coin of any size, but coin dealers may have a minimum deal of 1 oz, which can be made up from the smaller coins.

Bullion houses are only just recovering from the problems of VAT fraud, which virtually closed the market for larger coin deals.

For the small investor, however, the main problem is in avoiding the payment of VAT, which has been due on all coin purchases since April last year.

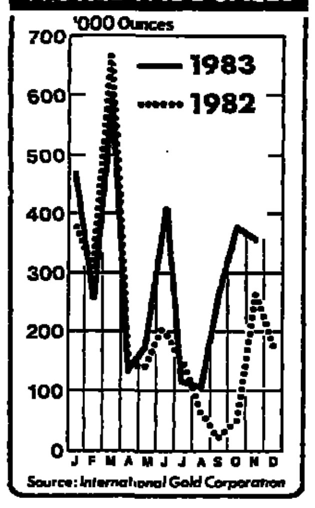
This can be done only by holding coins outside the UK mainland, which usually means the Channel Islands or Luxembourg.

Charterhouse Japhet (Jersey) or Standard Chartered Bank (CI), both based in St Helier, offer a service of selling and storing customers' coins.

Many British coin dealers also offer a service whereby they sell an investor an average of three to five one oz Krugerrands, and then organise bulk storage in the Channel Islands.

Avoiding payment of VAT is an obvious requirement as far as the investor is concerned, but anyone genuinely attracted by the lure of gold may prefer to pay the 15 per cent and keep the coins where they can be seen and admired.

**KRUGERRAND WORLDWIDE SALES**



مكتبة الأصل

Dominic Lawson on a recent review of the value of tipsters

# Psst! . . . want to buy a share?

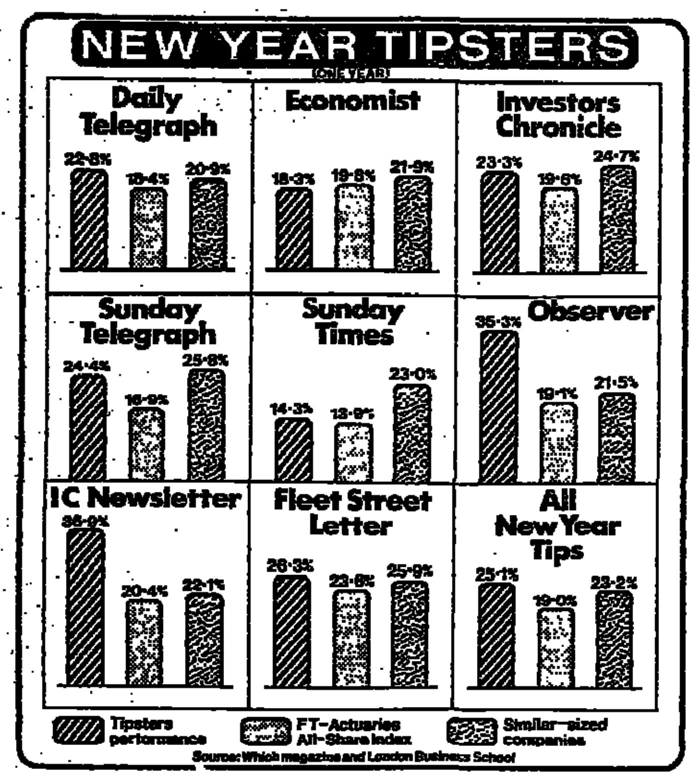
WITH STOCK market share prices at all time highs, conditions have never been more favourable for those fellow-travellers of the bull market, the share tipsters.

In such market conditions a strategy of choosing shares at random would probably lead to impressive capital appreciation. Any reader of the financial pages of the Press, will have seen advertisements from share tipsters, old, new and resurrected, enticing the readers with the prospect of "making a killing on the Stock Exchange."

Some of the newspapers are not averse to trying their hand, particularly for the New Year. Short term capital gains are not difficult to achieve. But can the tipsters beat the FT-Actuaries All-Share consistently over a period of years?

The Financial Services Unit of the London Business School, using the same rigorous analysis with which it logs the performance of pension funds, has attempted to find out.

The analysis, which the school has been working on for a year was commissioned by *Which?* magazine. This has recently published the gist of the findings.



Source: Which magazine and London Business School

The analysis covered New Year share tips in the period 1976-82. This necessarily excluded the more recent fly-by-bull market tip sheets. The New Year tipsters analysed were: The Daily Telegraph, The Economist, IC Newsletter Investors Chronicle, Fleet Street Letter, The Observer, The Sunday Telegraph and The Sunday Times.

The analysis looked at the performance of the recommended shares in the month they were tipped, and over the subsequent year. There was no allowance for dealing costs. And on the monthly analysis it assumed that the shares could be bought at the price recommended. This, as the LBS itself concedes, is seldom valid. Stockjobbers, on reading the Sunday newspapers, will mark up the shares recommended, so that Monday's opening price will be higher than that recommended on Sunday.

Nevertheless, despite these disadvantages, the initial results of the research surprised the LBS. "They really did seem to beat the market," says Jane Chapman of the Financial Services Unit. With the exception of the Economist, all the tipsters analysed beat the FTA All-Share both over the month of the tip, and over the subsequent year.

Clearly, the tipsters, for such consistent outperformance, knew something about the stock market. What sort of companies were they tipping? The answer was: a lot of small ones. The LBS then divided up the All-Share into ten deciles by size. Because of the way it is calculated, the All-Share Index's movement is closely linked to the movement of the share prices in the top decile — the companies in the top 10 per cent by size.

The LBS discovered that the top decile companies, since 1974, have shown capital gain, including reinvestment of dividends, of 400 per cent. But the lowest decile, the bottom 10 per cent of companies by size, over the same period showed a gain of no less than 2,877 per cent. Of course, these deciles are not constant. At the end of each year, a new list of deciles is calculated, and the money reinvested in the revised lists.

Obviously the share tippers had not been recommending solely companies in the bottom decile. According to Paul Marsh, senior lecturer in finance and Bank of England Research Fellow at the LBS, about 25 per cent of the tips were for companies of below average capitalisation, with the rest above the mid point. But this was enough to gain far more exposure to the galloping price movements of the smaller companies, than does the All Share index.

The successful share tipster would not have worked all this out for himself. But there are good reasons why the share tipper should sprinkle his portfolio with the minnow stocks. They tend to have relatively few shares in issue, and before the tip may not have been much dealt in. In a thin market, a recommendation and a subsequent burst of buying will have a disproportionate effect on the share price. This naturally is grist to the mill of the tipster, who will ascribe the price movement to his own investment nose.

Having established a possible reason for the tipster's outperformance of the All-Share, the LBS then compared the performance of the tipsters against the performance of "similar-sized companies" to those tipped. And the result was strikingly different to that of the earlier analysis. In the words of Paul Marsh: "It looks as though the share tipsters did only marginally better than they would if they had picked similar-sized companies with a pin." For example, The Fleet Street Letter, at 45-years-old the senior tip sheet, showed a one year capital gain of 26.3 per cent on average as against the equivalent figure of 25.9 per cent for the performance of "similar-sized companies."

Most of the gain shown by the recommended shares occurred in the month after the tip. For example, in that period The Fleet Street Letter could boast a gain of 9.1 per cent, as opposed to 0.9 per cent for similarly-sized companies.

The investigators also spent some time considering the darker side of share tipping—the possibility that tipsters themselves deal in the shares that they recommend. Recently, after all, the Stock Exchange publicly castigated an employee of the USM Investor for dealing in the shares of companies immediately before they were mentioned by the newsletter, and demanded that newspapers and periodicals should have firm ethical rules to be followed by their staff.

In a particular case studied, share prices rose on average by several percentage points between the time at which the share tipster was believed to *prepare his copy, and publication* day. Paul Marsh says: "The generous interpretion is that the information that became known to the tipper could have become known to the rest of the market at exactly the same time."

Outright manipulation is probably quite rare. A more likely phenomenon is that in talking around a favoured network of stockbroking contacts in search of ideas, the tipster may inadvertantly give clues about which shares he will be favouring the next week. What of the brokers themselves? According to Jane Chapman: "Our analyses have shown that stockbrokers have very small predictive qualities."

UNIT TRUSTS


# Out-guessing the gilt market

**A look at a new fund where success depends on the managers' ability to forecast inflation.**

WITH an eye on the offshore "roll-up" fund money now flooding back onshore, National Westminster bank on Thursday launched a unit trust which aims to make strategic investment switches between index-linked and conventional gilt-edged securities at different stages in the inflationary cycle.

The yield from the trust is to be low—initially only 2.5 per cent. But the likely capital gain to be achieved through investment in inflation-proofed government securities makes it attractive for higher rate tax-payers.

The managers of the fund from County Bank, NatWest's merchant banking subsidiary, say that the fund is being launched now because they are uncertain about whether UK equities, in which most of their other unit trusts are invested, offer any further prospect for capital gains in the medium term. However they believe that inflation has now passed the low point in its cycle and will rise over the next year.

For this reason, about 80 per cent of the fund's money will be initially invested in the full range of index-linked gilts, whose maturity dates stretch from 1988 to 2020. The remaining money will be invested in short-dated, low coupon gilts.

However when the managers in the bank's gilt department forecast that inflation is about to turn down again and the price of conventional gilts to rise, the bulk of the money will be switched out of the index-linked stock into long-dated, low-coupon conventional gilts. The prices of these are the most sensitive to changes in inflation and interest rates.

The danger with this strategy is that its success depends on County Bank making more accurate forecasts about future inflationary trends than the other gilt market traders and analysts. And few forecasters have a consistently good record in this area.

Most forecasters expect inflation by the end of next year to be between 4.5 and 7.5 per cent, although some fear it could be as high as 10 per cent. Jim Goodey, head of County Bank's gilt department, said he was going for a 7 per cent rate in 1984, which would do much to boost the attractions and the price of index-linked gilts. "We are trying to get in before the rest of the world and his wife." he said.

He added that the managers had access to National West-*minster's econometric model* for the UK economy to aid them in their inflation forecasts. But only this week NatWest's model was forecasting an inflation rate of just 5.8 per cent for the UK economy . . . which serves to highlight the difficulties of making money from trying to outguess the market.

However, as a table published in last Saturday's Financial Times showed, unless you believe inflation is going to be below 4 per cent over the next few years (or below 3.5 per cent for a top-rate taxpayer), index-linked securities are currently offering a higher prospective rate of return.

So if you're prepared to pay the relatively low entry charge of 2 per cent for investments of between £5,000 and £50,000, and the annual management fee of ¾ per cent, then buying units in the Gilt Strategy Trust, rather *than buying gilts directly*, will save you paperwork. But as a longer-term holding, you have to accept the risk that the fund's strategy could go expensively awry.

**Clive Wolman**

# Princely isles in the sun

**BY JUNE FIELD**

THE PEACOCKS strutted in the sun beneath the balcony as I ate my morning mangoes and paw-paw: in the evenings the tree frogs whistled incessantly, occasionally plopping into the sacred lotus pool outside the villa overlooking a peaceful sandy cove on Jamaica's north-east coast.

If the setting seems something out of a James Bond movie, then it is because it could be. Not so far away, Ian Fleming wintered at Goldeneye *from 1946 to* his death in 1964; and in one of the 007 films Ursula Andress walked out of the tranquil blue waters.

Now a piece of the palm-fringed paradise down the coast is one of Prince Alfonso Hohenloe's latest projects, the Marbella Club at Dragon Bay near Port Antonio, centre of the banana trade in the "County of Surrey." (This sort of name is a throwback to the English take-over of Jamaica around 1655, a control which lasted until 1962 when the country achieved full independence, although still technically a *member of the British Common*wealth.)

Port Antonio was put on the tourist map when Errol Flynn came in the 1940s and eventually built a ranch house overlooking a headland, where a few weeks ago I visited his widow, Patrice Wymore Flynn. (Noel Coward's old home Firefly is also near where Fleming lived.)

Prince Alfonso, whose original club put Marbella on the map as the place for the smart set to be, is bringing his own particular brand of expertise to the already well-established Dragon Bay hotel and villa complex. Actively involved in its promotion, he is backed by the Lebanese Abela and Company Management and Services organisation which has offices at 5 Savile Row, London, W1. (The Spanish Marbella Club is now some 75 per cent owned by Saudi Arabian Al-Midani, with the Prince retaining a quarter share.)

Alfonso proudly showed me around what he calls his "new unspoilt paradise," and explained that he is promoting it as "ideal for a romantic stay *close to nature.*" He has already spread the news to many of his "beautiful people" from Europe and the U.S., telling them that they will "return home brown, slim and feeling years younger."

The 33 villas at Dragon Bay, centred around the Club-hotel are for sale at $220,000 each including all the furnishings. They all have three bedrooms, three bathrooms, living-room and kitchen plus roomy terrace shaded by lush tropical vegetation. A housekeeper looks after the place daily, and you can either have meals in the courtyard or beach restaurant, or food served in the villa.

Cooking is European, or local style—pumpkin soup, salt fish and ackee (rather like scrambled eggs, brought to the island by Captain Bligh of the Bounty), and "matrimony," made of orange segments and apple pulp mixed with cream. For Christmas cheer, there is a drink composed of sorrel, ginger and rum.

All the villas can be divided into three separate rentable units each with its own entrance, and while it is not a condition of sale to rent back to the hotel, it obviously makes sound economic sense to do so.

Owners have to make their own projections about investment return, but it is expected to be in the region of 10 per cent a year. (High season charges for a villa from the 15th of this month to April 30 are $480 a day, and $360 for the low season.) There is no restriction on use by owners, but 90 days' notice is required for personal occupation. Renting is already heavy for the festive season.

Although only formally launched in London and New York next week, seven of the villas have already been sold: two to Americans, five to a British national, and someone is interested in buying a group of 10.

Naturally the project will be of particular interest to Americans—the flight time is 2¾ hours from New York and only an hour from Miami. I flew direct Air Jamaica 9 hours or so to Montego Bay from where it is just a short hop in the Dragon Bay private plane. Or the hotel helicopter goes to and from Kingston, the capital.

*Sales are being handled by* Felicity Hoare, newly appointed director of Robert Fraser International, Albemarle House, 28a, Albemarle Street, London, W1, a subsidiary of the merchant bankers Robert Fraser and Partners. Mrs Hoare, who set up the overseas department of London agents Chestertons, will be looking after Fraser clients' interests in residential and commercial property overseas.

While conceding that some parts of the Caribbean have their problems, she considers that Jamaica, with its new commitment to tourism under Prime Minister Seaga (just reconfirmed in his office for the next five years), has rich potential, having recently been rated the most promising Caribbean Basin investment area for the 1980s. For instance, Frenchman's Cove, cottage-style colony begun as a luxury resort by the Garfield Weston family in 1956, but now sadly run down, is reported as being leased by a consortium headed by Lord Selsdon to restore it to its former glory.

And the business of resort cottages is one of the "incentives" that get special income-tax concessions from the Jamaican Government.

The other exciting pre-occupation of the peripatetic Prince Alfonso is Saudi Nawaf's new Balearic Islands' development, The Anchorage at Bendinat, *just west of Palma in Majorca.*

There, above the beach where the King and Queen of Spain regularly relax while on holiday, will be an imaginative complex designed by Francois Spoerry, creator of Port Grimaud, a fashionable "village" *on the French Riviera.* Prince Alfonso is the consultant responsible for the landscaping, and the design of the club. (Although intended to have the ambience of the Marbella Clubs, it will not bear the name, as it is a completely separate venture.)

Even though the whole idea is very much in its early stages, there is strong advance marketing to the British of this 850-acre scheme being projected on qualities of elegance and sophistication.

"The International Set is moving to Majorca, away from the crowds to this romantic *island in the sun," is the selling* brief of the director of marketing, Australian John Kay, and the director of sales Robin Widdows who used to be with Hampton and Sons in London; the agent is Count Hugh de Meyer, Montpelier International Properties, 17, Montpelier Street, London SW7.

Sales "off-plan," backed by bank guarantees, have already been made for apartments ranging from about £35,000 to £100,000, and building starts in the New Year. Ready to be occupied now are the 14 attractive garden villas built around a pine and vine-edged courtyard up the hill towards Golf de Bendinat. I saw these last weekend after I had toured the beautiful bay that is the site of the Anchorage, sailing up to it in the company's yacht.

The villas cost from £65,000 to £83,000 (worked out at 227 pesetas to the pound), and come complete with electric heating as well as an open fireplace, barbecue, garage and laundry room. One design has a plant-filled surround to a dramatic circular bath.

Beachside villas selling around $220,000, at Prince Alfonso Hohenloe's latest project The Marbella Club at Dragon Bay, Port Antonio, Jamaica. Details Felicity Hoare, Robert Fraser International, 28a Albemarle Street, London, W1 (01-493 3211).

Garden villas Bendinat, Majorca, from around £65,000 to £83,000 above The Anchorage, new waterside complex designed by Francois Spoerry and Prince Alfonso Hohenloe where apartments will be from around £35,000 to £100,000, to be bought off plan through Count Hugh de Mayer, Montpelier International Properties, 17 Montpelier Street, London, SW7 (01-589 3400).



# What's in a plant clone?

## GARDENING

ARTHUR HELLYER

IT IS a safe bet that most gardeners would be unable to give a satisfactory definition of a clone and that many would not even know the word. Yet clones provide the basis for a great deal of plant choice and it is sensible to know what they do, and do not guarantee.

A clone is all the plants raised vegetatively from one original parent. Thus all the *roses correctly named Iceberg* are descendants by budding, grafting, cuttings or micro-propagation of one white seedling rose that was selected for its excellence and given that name.

In theory every member of the clone should exactly resemble all the others since vegetatively propagated plants are no more than extensions, in another place, of the original parent.

Unfortunately things do not always work out quite so precisely as that. During their lives plants pick up many diseases and transmit them to their offspring if vegetatively produced. Some, and particularly virus infections, have subtly debilitating effects which may not be noted for a considerable time.

Even without the incidence of disease there may be differences between individual members of a clone. Not all genetical changes take place during the formation of seeds.

Some occur in growth buds and are passed on in cuttings, layers, grafts and divisions taken from growth that originated from those buds.

Again the variation may be so slight as not to be noticed at first but it is there and it may be compounded by other variations of a similar character.

So, after many generations, it is common to find variations, most of them unwelcome, in plants which purport to be of the same clone. They continue to be sold under the same name, say Osakazuki for a variety of Japanese maple that colours a particularly vivid scarlet in the autumn, but close inspection will show that they are not all identical.

It is said that plants of this maple sold as Osakazuki by most Dutch nurserymen differ from those sold by most English nurseries though which most closely resembles the original I do not know.

Nurserymen are already making considerable efforts to sort things out. As I reported recently, a lot of work has been done at the Long Ashton Research Station collecting important clones of popular plants from as many nurserymen as possible, growing them side by side under identical conditions and finding out how they differ and which is the best for garden purposes.

As an example, a collection of plants of *Philadelphus virginal,* often recommended as the best double flowered all white mock orange, produced all manner of variations some of which were not even double flowered. Such extreme variations as that are probably due to careless collection of propagating material, not to the kind of small mutations I have been describing.

At Long Ashton the most desirable form has now been selected and re-distributed to nurserymen some of whom may list it as *Philadelphus Virginal Long Ashton,* or maybet L.A., clone.

This *work has now been* passed to the East Malling Research Station so presumably later on we shall be getting approved East Malling, or E.M., clones.

To avoid confusion I should point out that the research stations are not carrying out an historical or botanical assessment. The designation L.A. or E.M. clone does not mean that this is the original clone as distributed by the raiser but simply that it is the best version of that clone that has been discovered to-date.

*It could even be an improve*ment on the original for, though variations during vegetative propagation are usually deleterious, they are not always so. Botanists may be worried by the use of clonal names in this way but they should not present any problem to gardeners provided they understand what the names mean.

As such plants become more widely available they will almost certainly provide the "best buy" for that particular plant.

Sometimes nurserymen have confused the issue by using clonal names for perennial plants, including trees and shrubs, that have been raised from seed. Every seedling is a new individual with its own set of genes and even in a so-called true-breeding variety there is always some variation.

This is accepted with annuals and biennials, which must be constantly renewed from seed, and with them effort is made to prevent too great a drift away from the original parent by constant re-selection for the desirable qualities.

But annuals by their nature cannot form clones and when clonal names are applied to perennials they are usually interpreted by purchasers as guaranteeing their identity. It is not always so. The scarlet Geum Mrs Bradshaw gives seed*lings very like* the parent but not identical to it.

Few are likely to be better, most will be marginally inferior but all will be cheaper to produce and buy. So a great many plants of this geum are seedlings and the name Mrs Bradshaw does not really belong to them. If you want the original it will be necessary to ask questions about the method of propagation and even then you cannot be certain because of the vegetative drift which I have just described.

With old plants it is often difficult to decide what the original really looked like. Memory can play tricks, illustrations are rarely completely accurate and often not even available. It is a matter to which I hope the various plant conservation societies will give careful attention but I regard garden excellence as more important than historical accuracy.

If a particular clone is first rate of its kind it does not bother me greatly if it is not identical to the original introduction of that name. For example I am told that Monarda Cambridge Scarlet, for generations the most popular red bergamot, has lost a lot of its vigour.

If someone turns up with a re-invigorated version that is just as vivid in colour I will not worry greatly if it proves to have a doubtful pedigree. But that, of course, is historical and botanical heresy.

# Smyslov shines

## CHESS

LEONARD BARDEN

ALMOST all the public and media attention at the Acorn Computer world chess semi-finals has been directed towards the Kasparov-Korchnoi match, the meeting of prodigy against veteran, official USSR grandmaster against defector.

Yet the other series between Vassily Smyslov and Zoltan Ribli has clearly produced the best play despite smaller audiences. At 62, Smyslov has already equalled and surpassed the celebrated Emanuel Lasker's performances, as a sexagenarian, but it seems his ambitions are far from satisfied.

His wins in the fifth and seventh games of the match were masterpieces of chess art, played with a youthful flair and attacking energy. Smyslov has made a wise choice of second in Yuri Averbakh, also an over-60 and the greatest living expert on endgame play. The ex-world champion's opening and adjournment analysis bear the hallmarks of excellent methodical preparation, followed up by sure and precise decisions at the board.

Karpov, the current world champion, said before the start that he considered Smyslov's chances better against the younger Ribli because Smyslov was under no pressure or tension. He has already held the world title, would have litle chance against Kasparov or Karpov, and can concentrate on establishing his permanent niche in chess history. The match which Smyslov is playing is really against Lasker and he looks like winning it. Earlier this week Smyslov took a 5-3 lead over Ribli and if he reaches the candidates' final it will be much more than Lasker ever achieved in his later years.

Smyslov's play in this week's game brought a standing ovation from the audience and is sure of a place in future collections of chess brilliancies.

WHITE: V. Smyslov (USSR).

BLACK: Z. Ribli (Hungary).

Queen's Gambit (5th match game).

1 P-Q4,N-KB3; 2 N-KB3,P-K3; 3 P-B4,P-Q4; 4 N-B3,P-B4; 5 BPxP,NxP; 6 P-K3,N-QB3; 7 B-Q3,B-K2; 8 O-O,O-O; 9 P-QR3; PxP; 10 PxP,B-B3; 11 Q-B2.

A novelty which Black should counter by 11 . . . P-KN3. In the seventh game of the match Smyslov preferred the orthodox

11 B-K4,QN-K2; 12 N-K5,P-KN3; 13 B-R6,B-N2; 14 BxB,KxB; 15 R-B1,P-N3; 16 NxN,NxN; 17 BxN,QxB; 18 R-B7,B-N2; 19 Q-N4 when again his pronounced advantage led to a fine win.

11...P-KR3? 12 R-Q1,Q-N3; 13 B-QB4,R-Q1.

Trying for play against White's QP. If at once 13...NxP; 14 NxN,BxN; 15 N-R4 wins a piece.

14 N-K2,B-Q2; 15 Q-K4,QN-K2; 16 B-Q3,B-R5?

A bad mistake, letting in White's queen and driving the white rook to a better square. Correct is N-N3.

17 Q-R7 ch,K-B1; 18 R-K1, B-QN4; 19 BxB,QxB; 20 N-N3, N-KN3; 21 N-K5!

Black underestimated this tricky advance. A tempting reply is 21...N(4)-B5 with threats to White's back row, but then 22 BxN,NxB; 23 N-B5! wins.

21...N(4)-K2; 22 BxP? Simpler is 22 N-R5! with no good defence.

22...NxN; 23 N-R5! N-B6 ch; 24 PxN,N-B4 (if QxN; 25 BxP ch wins the queen, while if PxB? 25 QxRP ch mates); 25 NxB,NxB; 26 P-Q5!

A brilliantly imaginative move. Its ideas include: (a) PxP? 27 Q-R8 ch and mates (b) K-K2; 27 QxP,R-KN1; 28 RxP ch! (c) PxN; 27 PxP! Q-N4 ch; 28 K-R1,PxP; 29 R-KN1,Q-B5; 30 R-N7,QxBP ch; 31 K-N1,R-Q8 ch; 32 RxR,QxR ch; 33 K-N2, Q-Q4 ch; 34 P-B3,Q-Q7 ch; 35 K-R3 and wins.

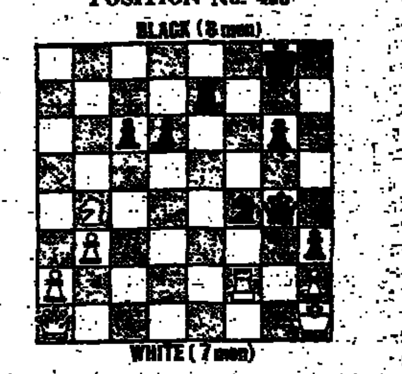
26...QxNP; 27 Q-R8 ch,K-K2; 28 RxP ch!

The final point, winning Black's queen. Smyslov keeps up his dynamic play till the end.

28...PxR; 29 QxP ch, N-B2; 30 P-Q6 ch, RxP; 31 N-Q5 ch, RxN; 32 QxQ, P-N3; 33 Q-N4 ch, K-B3; 34 R-K1, R-R1; 35 P-KR4, KR-Q1; 36 R-K4,N-Q3; 37 Q-B3 ch, P-K4; 38 RxP! RxR; 39 P-B4, N-B2; 40 PxR ch, K-K3; 41 Q-B4 ch, Resigns. If K-K2; 42 P-B4 and the white pawn march wins more material.

**POSITION No. 493**

BLACK (8 men)

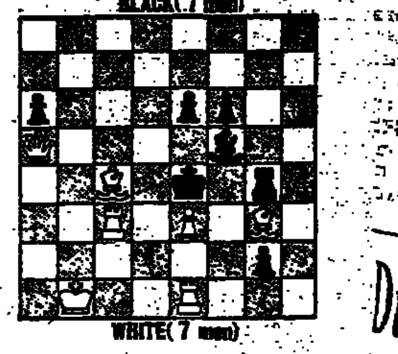


WHITE (7 men)

Najdorf v Nunn, Acorn Computer match 1983. This game between Britain's No. 2 and a veteran grandmaster was an additional match to the current world title series at the Great Eastern Hotel, London. Black (to play) is a pawn up with a strong attack, but still has to prove his win. How should the game end?

**PROBLEM No. 493**

BLACK (7 men)



WHITE (7 men)

White mates in two moves, against any defence (by G. Heathcote). The black king is surrounded, but a mate in two is not simple. The obvious try 1 QxP fails to B-N3 and if 2 QxP ch, K-B6 dis ch.

Solutions Page 12

## BRIDGE

E. P. C. COTTER

MY FIRST hand today comes from rubber bridge of a high standard:

| | | |
|---|---|---|
| | N<br>♠ 10 8 5<br>♡ A Q<br>♢ A K J 7<br>♣ A 9 7 5 | |
| W<br>♠ 7 6<br>♡ J 6 5 4 3<br>♢ 10 8<br>♣ Q J 10 2 | | E<br>♠ 2<br>♡ K 9 8 7<br>♢ Q 9 5 2<br>♣ K 6 4 3 |
| | S<br>♠ A K Q J 9 4 3<br>♡ 10 2<br>♢ 6 4 3<br>♣ 8 | |

South dealt with neither side vulnerable and opened the bidding with four spades, and North's immediate jump to six spades concluded the auction.

West led the Queen of clubs, won by dummy's Ace, and declarer at once ruffed a club in hand with the Knave of spades. This was routine technique for an expert player. He crossed to the eight of trumps, ruffed another club with the Queen of spades, and led a spade to the 10 to draw the one outstanding trump. After ruffing dummy's last club, he led the diamond three, intending to finesse the seven if West played low. When West played the eight, dummy's King was put up, and declarer came to hand with a trump. There was no need to keep this last trump, for with the clubs now eliminated there was no ruff discard in the endplay envisaged by the declarer.

A second diamond was covered by West's 10, dummy's Knave was played, losing to the Queen, and East was endplayed. He was compelled to lead a diamond away from his nine and five into dummy's Ace and seven, or a heart into the major tenace.

A heart opening seems to interfere with the endplay, but the declarer still gets home. He wins with dummy's Ace, cashes the club Ace, and ruffs a club, and ruffs two more clubs while drawing trumps as before. Now East is thrown in with the heart King, and can choose between leading into the diamond tenace and conceding a ruff discard. There is no defence against the slam.

The second hand occurred in an Open Pairs event in Portugal:

| | | |
|---|---|---|
| | N<br>♠ 6 5<br>♡ K Q J 8<br>♢ Q 9 8 4 2<br>♣ 7 5 | |
| W<br>♠ A J 9 8 2<br>♡ 5 3<br>♢ A 3<br>♣ A J 10 3 | | E<br>♠ K 10 4 3<br>♡ 10 7 6<br>♢ 10 6<br>♣ Q 9 4 2 |
| | S<br>♠ Q 7<br>♡ A 9 4 2<br>♢ K J 7 5<br>♣ K 8 6 | |

With both sides vulnerable, South dealt and bid one weak no trump, 12 to 14 points, and I, sitting West, doubled. This was followed by three passes, and my opening lead was the eight of spades. My partner won with the King, and returned the three to show four cards in the suit. I took the declarer's Queen with my Ace, and continued with the Knave, East unblocked with his 10, but I now led the two, to make sure that my partner got the lead. The message was clear—"I want a club return"—and East duly switched to that suit. But he made one of his rare mistakes—he led the two. South ducked, I was forced to win, and the declarer got away with a two-trick penalty, 500 points. If East returns, as he should, the nine or Queen of clubs, we get a clear top on the board, holding declarer to three tricks and scoring 1100.

For all that, we scored quite well because although four spades can be made the majority of the East-West pairs failed to bid the game. I suppose North felt that his 8 points were enough to give his partner a chance of fulfilling his contract, but I must say that I would have taken out into two diamonds.

# Safaris and towns like Alice

**TRAVEL**

LINDA CHRISTMAS

AUSTRALIA is discovering the tourist. And the thought of what the tourist dollar could do for a struggling economy and for unemployment has caused the Government of Labor Prime Minister, Bob Hawke, to pump millions of dollars into tourist development. And the Australian Tourist Commission has been given a 75 per cent increase in budget to encourage worldwide traffic. The aim is to double the number of visitors to Australia to 2m by 1988.

Furthermore, the Australian Minister for Tourism is leaning heavily on the two major domestic airlines to persuade them to offer improved discounts of up to 50 per cent to all foreign visitors. At the moment a discount of 30 per cent is offered only to those with Apex tickets.

Because the two airlines' passenger traffic fell by nearly 9 per cent in the first nine months of this year, the Minister would also like a similar scheme available to encourage Australians to be tourists in their own vast land. High internal air fares have caused them to flock to Bali rather than discover the Outback.

Britain and America are the primary targeted growth areas. The cheapest months for Apex fares are May and June. From January 1, Qantas and BA are dividing the year into five tiers, the most expensive being the three weeks before Christmas and the price difference between high and low (levels 1 and 5) on, say, the flight to Sydney is as much as £280.

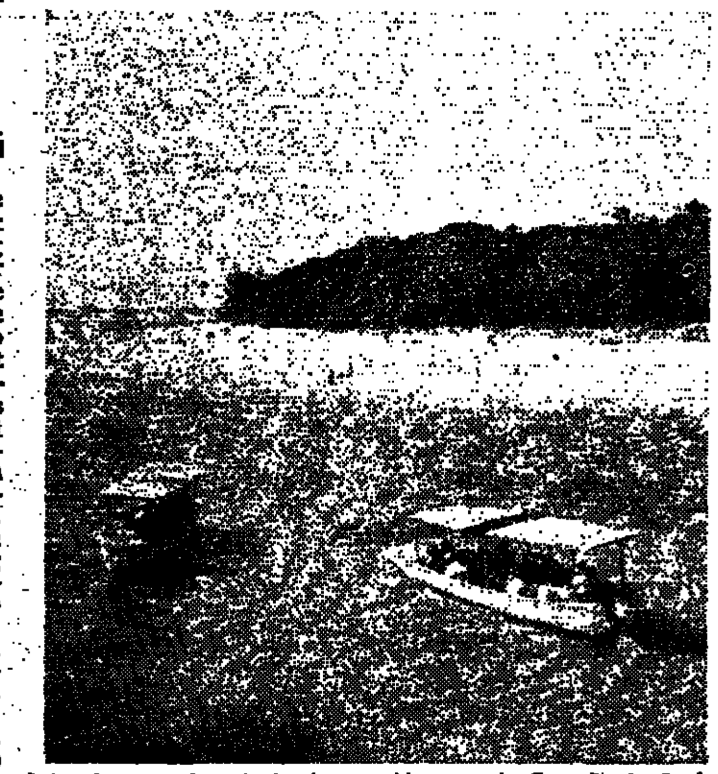
May and June are undoubtedly lovely months to visit the country, particularly if you are interested in the northern strip—the top end—as the wet season is over and the heat quite manageable. However, May and June are also lovely months in Europe and it is more likely that level 2—March and April—will find favour with the British market.

So where to go? My rule is to avoid the big cities in the crowded south-west corner (Sydney and Melbourne). My suggested itinerary for first timers is not just a fantasy; it is perfectly possible if a little pricey.

I would head first to the Barrier Reef islands. The islands are a perfect place to recover from the long flight, adjust to the climate and colour the skin to match that of the locals.

To reach the islands is now easy as Qantas already flies direct to Townsville and from April 1984 will be flying direct to Cairns.

From Townsville several islands are within easy reach—30-45 minutes by light plane. Hinchinbrook, and Orpheus span the price range from simple and comfortable (Hinchinbrook) to deluxe (Orpheus).



Inspecting coral through glass-bottomed boats on the Great Barrier Reef

And from Cairns there is Lizard Island. It is exclusive and expensive ($A130 for a shared double room) but this includes all meals and access to all water sports (with experienced instructors) and once you have worked out what it would normally cost to hire gear and tuition, then the price slides into perspective.

I spent all my days on Lizard learning to snorkel and scuba dive under the careful guidance of an instructor who managed to quell my fear of deep water and enable me to see the reef the way it ought to be seen — close enough to reach out and caress the coral.

After such a relaxing start, the visitor is then ready for something a little more taxing and I would head next for Alice Springs right in the centre of the country.

It is possible to fly, but if time permits, use the coach. It is an ideal way of getting a feel for the distances and the emptiness of the land.

From Townsville to Alice the distance is best measured in hours rather than miles and it would take three days to do the journey the easy way, stopping each night in motels in Mount Isa, an isolated mining town, and Tennant Creek, where the east-west road meets the North-South route from Darwin.

Alice Springs is not the desert town that people imagine: It is thriving and modern and ever growing, offering a wide range of hotels—including a casino—and enough places of interest to fill a two or three day stay. It is worth noting that Ayers Rock is not on Alice's doorstep—it is 200 miles, or an eight hour drive away! You can fly.

An overnight stop is necessary in order to see the Rock either at sunrise or at sunset, or both. At those times, if you are lucky, the great monolith changes colour which adds to its attraction. It is of course an Aboriginal sacred site, but nonetheless you are encouraged to climb to the top.

From Alice, I would suggest a trip on the Ghan railway due south to Adelaide. The journey takes 24 hours. The track was relaid a couple of years ago; the ride is comfortable; the food is acceptable and so are the sleepers and it is a glorious way in which to view vast tracts of desert. And with careful timing you could arrive in Adelaide for the biennial Festival of the Arts (March 1-18, 1984).

Adelaide is a city of less than a million people and during the festival it hums with justifiable pride. The centre piece of next year's festival is Vladimir Ashkenazy and the London Philharmonia playing all Beethoven's symphonies and piano concertos.

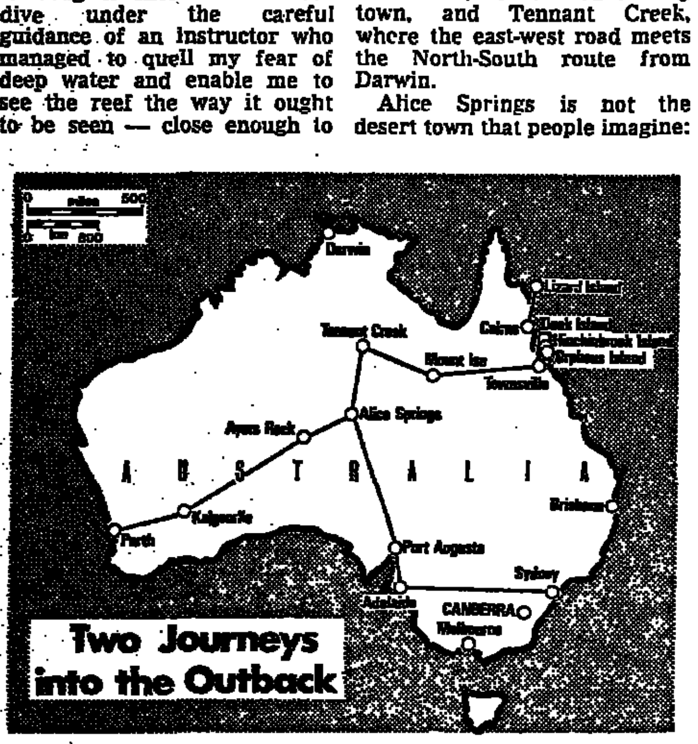
For those who wish to be truly adventurous I will also suggest an alternative to the Ghan Railway and Adelaide. And that is, from Alice Springs, a six-night safari to Perth. The safari in Australia is a fine art and not just something for the young back-packer or the foolhardy.

They are usually graded into three levels: easy-going adventure on good tracks (in four wheel drive vehicles); some rugged travelling; and plenty of rugged travelling which inevitably means that at some point you are required to dig the vehicle out of the sand.

Fixed itinerary package tours are just becoming available in the UK. A new company, Asia Pacific, 103 Waterloo Road, London, SE1, will be offering, from April, 1984 the closest itineraries to the ones described above.

A trip including Barrier Reef islands, Alice Springs and Ayers Rock, the Ghan and Adelaide costs in the region of £2,000. A trip covering the Islands, Alice Springs, and the safari to Perth would cost around the same.

For those who wish to add their own segments together Qantas Jetabout has the most comprehensive assortment and those who wish to browse through many a possibility should write to The Australian Tourist Commission, Park Farm Road, Folkestone, Kent CT19 5DZ.




# Ding dong merrily up north

WHEN ROTHERHAM decided a few years ago to go into the tourist market—"look at our industrial architecture"—there were mindless hoots of derision south of Watford. But I've decided it isn't too bad an experience to go back to your roots for part of the festive season.

In my case, it was Leeds. There I was in the Albion Street shopping precinct, listening, the sun shining but the air crisp and cold, to the Salvation Army band playing carols and watching citizens of a city with a great unemployment problem behaving like Rugby League prop forwards in order to get to the stereos and videos and hire purchase agreements . . . or make the cash registers go ding-dong.

The "Sally Ann," like all Yorkshire wind-instrumentalists played beautifully. "They never blow a wrong note, do they?" said a brass band buff beside me, armed with a huge plastic Christmas tree.

His wife said, humorously or not, I do not know: "Shall we buy 'em a bottle of whisky to keep out the cold?" It was a splendid performance—the fortissimo on the last line of "Oh, come let us adore him" almost shattered the windows of Jeans Unlimited and the Bistro Fiore.

Holidays in Yorkshire around Christmas have given me a lot of pleasure—and it isn't too late to book. I don't necessarily recommend Leeds, but it's a marvellous centre for exploring the Yorkshire Dales at one of the best times of the year.

The trips to James Herriot country—and that means any dale you choose because the settings of the TV series were a mish-mash of the whole God's own country where I spent my youth.

And I remember a wonderful winter weekend at Robert Luff's refurbished Royal Hotel in Scarborough, an elegant English "grand hotel" of the past, once owned by Tom Laughton, brother of actor Charles—the family ran the best hotels in this noble Yorkshire seaside resort for many years.

Robert Luff, the impresario who associated with *The Black and White Minstrel Show*, bought it a few years ago. He'd stayed there when he first visited the town with the show, and decided: "If I ever buy an hotel, it will be the Royal."

But the claims of industrial cities such as Leeds on winter visitors are important, too. From Leeds, you can go and look at Harewood House, the home of the Earl of Harewood, not much more than a brochure's-throw from the city's tailoring factories and probably one of Britain's loveliest great homes, and not quite so flash as Blenheim, Longleat and Castle Howard.

And the moors and dales are on the doorstep. It is a 7-mile drive to Harry Ramsden's, the world biggest fish and chip restaurant, hailed by the colour magazines, beseiged by queues of visiting foreign businessmen.

A few miles further along the same road is Ilkley, the moorland town with its famous Cow and Calf Rock where Everest climbers practise—and Box Tree Cottage, a little (but very pricey) restaurant which has figured in almost every good food guide published since it opened.

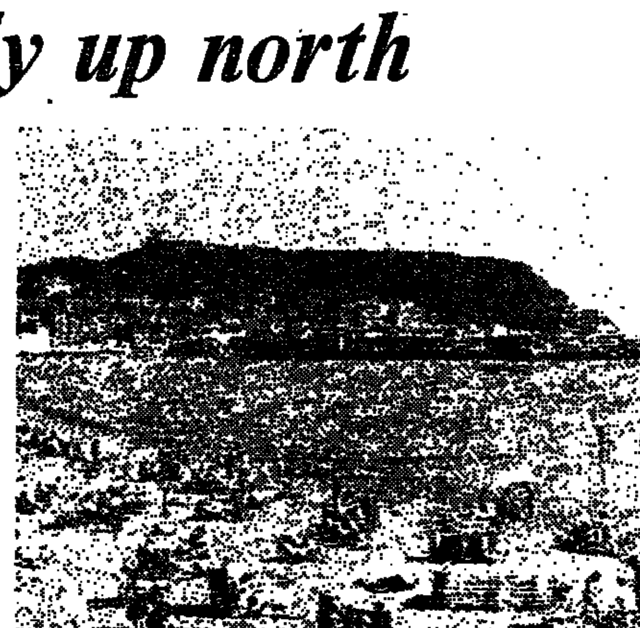
Then there's the Bronte country, just another few miles west. Good for a visit at this time of the year. In fact, if you've got the stamina and winter woollies needed, this is the best time of the year for a brisk walk to Wuthering Heights, the time when you really can expect to see Cathy Earnshaw's ghost.

Further afield is Bolton Abbey, where Harold Macmillan and many better and worse people shot grouse. Grassington, a splendid Dales market town, Buckden, and if you're very energetic and can be allowed out without the aid of an RAF helicopter rescue crew, try the Three Peaks walk—Ingleborough, Whernside and Pen-y-Gent.

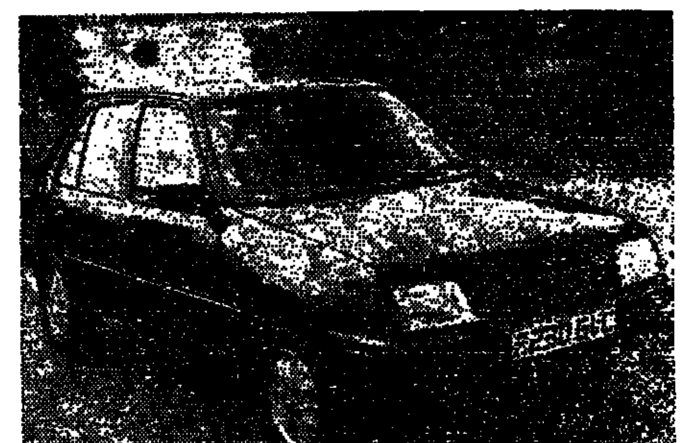
For the less active but more intellectually committed, I suggest a return to Leeds for the evening where Opera North is mounting one of its most ambitious seasons for years at the Grand Theatre—including new productions of Il Trovatore and Eugen Onegin, opening December 21.

And after the theatre, the city is quite good for dining out. I recommend the excellent Carverie at THF's Metropole Hotel or Nash's Tudor Fish Restaurant, just across the road from the Grand Theatre. But for the real taste of Yorkshire, you can't do better than Whitelock's, a bar and restaurant since 1715, where you can still eat Yorkshire pudding as it is meant to be eaten—on its own as a first course with onion gravy.

**Alan Forrest**



Scarborough with castle in the background

A PAIR of baby diesels are now on sale in Britain—the Daihatsu Charade (left) and Peugeot 205. A third, the Ford Fiesta, will be joining them in the new year.

Superficially, the Charade and 205 are similar. They are both supermini-sized hatchbacks, with four large passenger doors for easy access and tailgates opening on to almost flat load floors.

But in one important respect, they are poles apart. The Charade has a very small diesel; the world's smallest, in fact, at 993 cc capacity. It is a three-cylinder engine, producing 37 horsepower. The 205's engine is big, a 1,769 cc unit developing 59 horsepower.

An engine of generous capacity in a well shaped small car with high overall gearing has always been a good recipe for economy with relaxed motorway performance. The Peugeot 205GRD demonstrates that it works even better with a diesel than with a petrol engine.

A few weeks ago I brimmed the tank, drove from Tunbridge Wells to Brighton and back, made several shopping trips locally and later drove to Ely. On the way back to Kent I brimmed the tank again.

The trip meter read 239 miles; the tank took 3.97 gallons. The consumption: 60.2 mpg. Except for a muttering tick-over, the 205GRD drives like a petrol car. Its performance is almost identical with that of the 1.3 litre 205.

I don't know wether the under one-litre Charade will be able to match the 205GRD's economy—I am now trying to find out. It is a delightful small car eve[n] if immediately after cold star[t]ing, it sounds like a scho[ol] percussion band rehearsing t[he] Anvil Chorus.

The noise diminishes after [a] minute or two but, unlike th[e] 205GRD, one is never unawa[re] that the Charade's power un[it] is a diesel. The 205GRD [is] listed at £5,345, the Charad[e] (high roof model) at £4,699.

I will be comparing the[se] super-frugal babies in deta[il] when I have lived with th[e] Charade for a month or so.

# More thoughts on the radar trap

**MOTORING**

STUART MARSHALL

WHY AN apparent concentration on securing speeding convictions when other more serious motoring offences are ignored? That was the question I asked here three weeks ago. The letters have poured in ever since—including one from Brazil.

Regrettably, not one has come from the business end of the radar beam. There has been a thunderous silence from authority. It can't be that it is unaware of the problem. Several readers have sent copies of the original article to their chief constables or local chief superintendents.

Almost to a man (or woman) my correspondents have echoed the question. They want to know why they are being picked upon for speeding on apparently safe roads when so much loutish and unlawful conduct appears to go unnoticed by the police and unpunished by the courts.

Writing from Yorkshire, one reader told of losing a 45-year clean record for doing 43 mph in a 30 mph area when the road was clear and the weather dry. He felt hard done by. Fuelling his resentment were the numbers of unlicensed vehicles to be seen being driven by local itinerants.

"Most are unlicensed but the police take no action because of instructions not to harrass these people. The real danger is that these unlicensed vehicles have no insurance, either."

This was a point made by many readers. "Driving an uninsured vehicle used to be regarded as a very serious offence by the courts. Now people are fined more heavily for doing 85 mph on a motorway than for driving without insurance cover," said one.

Another aspect which worries readers was the damage done to police public relations by the apparent inequity of motoring law enforcement.

The whole question is explored in some detail in a book published recently (*Road Users and the Police, by M. C. Dix and A. D. Layzell*, Croom Helm £6.95 paperback). It is not exactly light bedtime reading but more a book published by researchers for the benefit of other researchers. But it is full of interesting information.

The authors say police thinking on road law enforcement is in a state of flux. It is costly in terms of resources, may lack effectiveness and is unpopular with large sections of the public. That is the police view.

In the words of one un-named chief constable: "Our problem is reconciling the conflict . . . between the police and the motorist for enforcing too much and the local authorities, who claim the police do not enforce enough."

One cannot please all of the people all of the time. What I find significant is that the vast majority of readers who have written to me are not against enforcement of traffic laws. They would like to see more of it, not less, when the offences are clearly safety related. It's the radar trapping on open roads that offends them.

The excessively random nature of securing convictions for speeding is brought out in the book. According to a study the actual risk of detection fo[r] a speeding offence may be a[s] low as 1-in-7,600 though [it] clearly varies from area to are[a].

Thames Valley (as I know t[o] my cost) takes a particularl[y] stern view of speeding. Th[e] authors say that in 1981—th[e] latest figures available—Thames Valley's prosecutio[n] rate for speeding was twic[e] that of Lancashire, more tha[n] three times that of West York[]shire.

Another vital statistic:—i[f] you are reported for breakin[g] the speed limit, you are twic[e] as likely to be prosecuted, no[t] given an official warning, tha[n] if you were reported for care[]less driving.

It is an uncharitable though[t] but might it be that a careles[s] driving case is more trouble[]some to prosecute than a speed[]ing case? Many careless driv[]ing defendants plead not guilty whereas the vast majority of speeding cases are undefended and go through on the nod.

There must be a police attitude on this radar trapping business. And a lot of readers of this column would like to know what it is.

# Taking a horse from the water

HAVING SPENT what should have been the four best years of my life on horseback in the wide open spaces, and suffered the misery these creatures can inflict on mankind, I was happy to see the last of them disappear from my farm at the end of the war. Their main defect is their unreliability as a form of transport. They also go lame at the drop of a hat, and will seldom behave sensibly when ill.

Nor do I much care for swimming pools in England's climate: they need a lot of maintenance and expensive heating to give you less stimulation than a cold shower does at a fraction of the cost. So I have neither horse nor pool at home. Not so a neighbour, a week-ender who has both. And these two joined together in quite an event the other day.

One of my men met me in the yard. "Mr Smith's horse is in his swimming pool. I am going to sling it out with a tractor hoist," he said. Now my early training had taught me that slinging a horse off the ground is a ticklish operation—the horse's back might get broken — and should only be undertaken with the proper tackle. I had dim memories of army King's Regulations on the subject. But I had faced a similar situation in the distant past when one of my cows had fallen into a small reservoir. In her case I had gradually filled the reservoir with straw and she had walked around as it built up, and walked out when she reached ground level.


So I went to the horse scene and took charge. The horse was standing quietly up to its belly in water with its head held by a dedicated horsewoman, with chattering teeth. It had tried to walk across the pool's canvas cover and fallen through, and had had the (momentary) sense or the luck to reach the shallow end. I had a heap of very wet straw bales and sent for them.

But they were not wet enough and instead of sinking formed a raft which we could not sink. There was no chance of emptying the pool as the pump has been dismantled for the winter. The alternative would have been pig dung of which I had a big heap and which would have made a ramp. But what would Mr Smith think of ten tonnes of the stuff in his pool? While deliberations were continuing a lorry came for the sheep. The driver was a part-time fireman. Dial 999, he advised, ask for the fire brigade and they would have that pool emptied in a trice.

This brought results. Within about 20 minutes not one but two vehicles arrived complete with portable pumps. It must have been a slack day for arsonists. After a while the water level sank far enough for the bales to rest on the bottom. But we still had to get the horse up a four-foot sheer side. Pools in the country should in future be built with a sloping ramp at the shallow end.

We built the ramp with bales and tried to make the animal step on it. This it refused to do. The water was now only about a foot up its legs and I doubt if it even felt cold. Also it was showing a bit of sense. Few horses are really surefooted. They have little grip in their hooves, unlike a cloven hooved creature like a cow which can tackle very difficult places. That is why bullock teams were used by the pioneers.

So into the pool went the husky firemen and shoved. The small daughter of the house offered it some nuts and it scrabbled to the top unharmed. It was a very lucky creature, first because the pool held enough water to break its fall, then that the fire brigades will go to any lengths to save an animal — usually kittens in trees. But particularly, I think, because the very stupidity that led it to walk on the canvas cover made it so thick that unlike most horses it did not lose its head as they so often do under stress.

There is a moral in this. If you have both a horse and a swimming pool make sure the first can't escape and that the pool is well fenced to keep horses and every thing else from falling in.

That evening the brigade chief rang me up. "I am writing my report," he said. "What is the horse's name?" "I don't know, I replied, I never asked it."

**John Cherrington**

# Rising to the call

**FISHING**

JOHN CHERRINGTON

I HAD a bad season on the Test and it was to some extent my own fault. The mayfly was extraordinarly productive — and so was the preceding fortnight. But the hatch was so prolific that fishing became too easy. There is no fun in my opinion in being certain that every rising fish that you see is going to fall victim to a fly. I had to go abroad before the mayfly had ended but I gather that it was just as easy after I had left.

Then for a long time there was little movement on the river. This was the pattern of the Kennett when I used to fish there: a terrific hatch and much activity, and then nothing until September when the cunning members of the club used to reappear from wherever they spent the summer for a grand autumn fling. The theory was that the fish had been gorged with mayfly and did not wish to eat another insect until there was an R in the month.

There may have been something in this. The fish were wild for the most part, or at any rate feral, and seemed to ignore the flies hatching during the summer. But the Test this summer was remarkably barren and the fish could not have been gorged on mayfly because the river was restocked. There was just no fly around and when there was the fish just did not rise.

I could understand this happening in the very warm days in July and August. But I would normally expect to have some fun at the evening rise as the sun was setting. There was often no rise at all and even when there was the sudden boiling in the water of large numbers splashing about lasted no more than a few minutes and nothing I threw at them seemed to interest them. It made me wonder if it was not some concerted act of piscine defiance, putting the angler in his place.

I have suggested before that the dearth of summer fly following a good mayfly hatch has been due to the mayfly larvae starving out the smaller ones, as overstocking farms will do to the weaker animals. But I am at a loss to understand how the trout can allow a stream of flies to pass over them when there is a hatch without having a go at them. It could be that there is too much feed in the shape of shrimps, etc, probably encouraged by the effluent from the Andover sewage farm which although well purified, must be rich in basic plant and thus animal food.

But not all anglers were as unlucky as I was. Those who By mid-August a persistent and active fisherman like a Tasmanian friend of mine could winkle out some surprisingly good trout from bridges over the carriers, and other difficult spots. In one day this character secured five trout up to 5lbs, three grayling and a dace in conditions I would have thought impossible. But as he told me when I gave him the guest ticket, he had always intended to catch fish on the Test, and on this—his only visit—he did just that. No one else did.

But September came into its own. The weather was cooler and there was a lot of wind, but for several days there was a hatch of fly right through the day and this time the fish were really interested. They were not foolishly eager as at mayfly time but moving continually and when they took the fly they did it with a good crashing dive as if they really meant it. I never really caught the limit, just one or two in a long afternoon, but the excitement was intense and it was just as the river used to be when I started fishing it over 30 years ago. This is one kind of fishing I shan't give up.

**John Cherrington, who also contributes Country Notes to these pages, has written this year a comprehensive guide to a farmer's life: "A Farmer's Year" (Hodder and Stoughton, pages 136, £9.95).**

# My book of the year

## Our reviewers choose the books published this year they have most enjoyed reading

● Reproducing works of art is one of a few things in life that get better and better. The book that impressed me most this year, in its matching of content and design, was Paul Joannides' **Drawings of Raphael** (Phaidon Press, £65). It celebrates the 500th anniversary of his birth in 1483, a year he shares with Martin Luther, and goes nicely with a visit to the Raphael exhibition at the British Museum.

GEORGE WATSON

● I choose **Man and the Natural World** (Allen Lane, £14.95) by Keith Thomas. The main argument is not a new one; the dates jump around and the themes are packed with examples. But the examples are brilliantly chosen by this great social historian and there are so many insights on the way through. I envy his nerve in choosing a subject of such pleasure and turning it into a revealing history for us all.

ROBIN LANE FOX

● I do not expect to be alone in making my book of the year Kenneth Rose's **King George V** (Weidenfeld and Nicolson £12.95). Rarely has there been such a chorus of praise for an historical biography — and a royal biography is such a tricky subject too.

A. L. ROWSE

● My choice falls upon a work of reference **The London Encyclopaedia** edited by Ben Weinreb and Christopher Hibbert (Macmillan, £24.00). There has long been a need for a single volume dictionary of the capital city.

For a work of scholarship it is written in very accessible and often light-hearted prose with a range of memorable quotations and affectionate jokes. This book is that rare thing, a monumental achievement written with real love.

COLIN AMERY

● The offboard aspects of chess got a bad name after the sensationalist Fischer and Korchnoi world title matches where claims abounded of electronic chairs, hypnotically-induced blunders, staring neurologists, and coded yoghurt messages. So I was glad to read the objective and well-argued chapters of **The Psychology of Chess** by Bill Hartston and Peter Wason (Batsford, £7.95).

LEONARD BARDEN

● A writer in his choice of new books is always apt to select the kind of book he writes himself; and this year the books that I have found particularly rewarding have usually been biographies. For example, Maurice Cranston's excellent study of **Jean-Jacques: The Early Life and Work of Jean-Jacques Rousseau** — an admirably lucid account of a highly complex character. (Allen Lane, £14.95); and **Colette** by Joanna Richardson (Methuen, £12.95), one of the most sensible and sympathetic pictures of the fascinating novelist that have so far come my way. Equally sympathetic and understanding is Lord David Cecil's **A Portrait of Charles Lamb** (Constable, £9.95). I have also much enjoyed Anka Muhlstein's **Baron James: the first of the French Rothschilds** (Collins, £10.95), Mary Edmonds' scholarly appreciation of **Hilliard and Oliver: the lives and works of two great miniaturists** (Robert Hale, £15.95) and Frances Spalding's **Vanessa Bell** (Weidenfeld & Nicolson, £12.95), which brings to life an especially lovable and interesting member of Virginia Woolf's circle.

PETER QUENNELL

● Ronald Hingley's **Pasternak—A Biography** (Weidenfeld and Nicolson, £12.95) emphasises that Pasternak was a poet primarily and it is this which accounts for the areas of weakness in the novel. He was never really politically aware which made it possible for him to continue writing under even the most oppressive rule. Professor Hingley also describes the complications of his domestic life which not only throw light on Pasternak's self-obsessive nature but also on this sad period of Russian history.

I also choose the novel **Rates of Exchange** by Malcom Bradbury (Secker and Warburg, £7.95), a fascinating tour de force which emphasises the amazing scope of fiction. Where else could you create your own East European country, called Slaka, people it with an enigmatic "Plitpov," a "batik-clad Princip" and create as hero a Professor of Linguistics called Petworth, known locally as "Pervert?" It is doesn't work all the time, but is a big bold step away from the over sensitive insularity said to be the mark of British novelists.

RACHEL BILLINGTON

Treatment by Penni of the Miracle of the Fishes from "The Drawings of Raphael" (Phaidon, £65.00), one of the books of the year

● I choose Alan Bullock's **Ernest Bevin Foreign Secretary** (Heinemann £30), of course, Not only because of the breadth and depth of the historical approach and the disavowal of hindsight, but also because of some of the stories.

This fine biography contains the most comprehensive and comprehensible account so far of British foreign policy immediately after the war. It will be a long time before it is bettered, if ever.

Also riveting was the **Diary of Hugh Gaitskell 1945-56** (Jonathan Cape, £25), edited by Philip Williams. Not to denigrate Mr Williams's earlier biography of Gaitskell, but I think the diary is closer to the man and to the times. The biography was perhaps too kind.

MALCOLM RUTHERFORD

● I have chosen a novel that can be enjoyed for its stylish self. **Time After Time** (André Deutsch, £7.95) by Molly Keane is set snug and remote in a forgotten Ireland. Its characters are old, eccentric, impoverished and land-owning. United by blood and mutual loathing they pursue their separate obsessive lives until a long-lost cousin arrives to expose all the nastiness in the woodshed.

The novel is funny, cleverly malicious and full of twists — a treat to read.

VALERY McCONNELL

● In the past few years our knowledge of early modern fiction has been greatly enhanced by the publication of the collected letters of several major authors. Virginia Woolf's are now complete: those of D. H. Lawrence and Henry James are well under way, and this year Conrad's letters have been added to the list. The first volume of **The Collected Letters of Joseph Conrad** (Cambridge University Press, £19.50) edited by Frederick R. Karl and Laurence Davies, covers the years 1861-1897 and is mainly of interest for the detailed acount it offers of Conrad settling in England and establishing himself as a novelist. It is clearly a book to be enjoyed not just this year, but for many years to come, and, as with all important collections of letters, the thought that further instalments are due adds to the pleasure.

PETER KEATING

● Julia and Vanessa accompanied me through 1983. **Julia: A Portrait of Julia Strachey by Herself and Frances Partridge** (Gollancz £10.95) is the unconventional biography of "a gifted wastrel": fragments of letters, diaries and autobiography are cleverly linked together to describe this Bloomsbury changeling, self-critical yet fascinating, difficult but unforgettable. Vanessa is described by Frances Spalding in **Vanessa Bell** (Weidenfeld, £12.95) as formidable but possessed of a serene, practical streak which gave her distinction as a painter, as a woman and as the creator of Charleston.

I also enjoyed Paul Fussell's **The Boy Scout's Handbook** (Oxford University Press £9.96). It contains reprinted reviews, and essays (such as the brilliant "My War"). The tone throughout is unstuffy, direct and perceptive.

NICOLA BEAUMAN

● My choice is Wolfgang Hildesheimer's **Mozart** (Dent, £10.95). This self-avowed "demythologizing" biography, which caused a big stir on first appearance in the German-speaking countries in 1977, has now been translated into English (or rather, American): and for even the most unsentimental Anglo-Saxon Mozartian, the encounter with this grab-bag of assertion, free association, and the rigorous pursuit of cause-and-effect logical deduction must prove an immensely stimulating experience. Hildeheimer's overriding concern is to subject to the test every received notion of Mozart biography, in order to propose a worryingly persuasive central thesis—that the greatest musical genius is also the most unknowable, and that there is no necessary or automatic link between the man and the music. Some very odd judgments on the works, and some sudden outbursts of prejudice and even perverseness, may infuriate the reader along the way; by the end, though, the clarification of one's own ideas will have made the journey seem greatly worth the while.

MAX LOPPERT

● Two books this year brought vividly back to life two people I knew. One was **Robert Medley's Drawn From The Life** (Faber and Faber, £12.50) with its intimate portrait of Rupert Doone, the presiding genius of the Group Theatre which put on plays by Auden, Spender and others before the war. The other was **Inside outsider: The Life and Times of Colin MacInnes** by Tony Gould (Chatto and Windus, £12.50) which with equal assurance traces the career of another difficult, talented, singularly self-destructive man who helped to shape the period in which he lived.

My pleasure in these books was partly one of gratitude in that they shed a reconciling light on people darkly enigmatic; but the appeal is much wider than that. Both show how much of what we think of as a new movement, a change of style in a particular art, is brought about by the efforts and courage of an outstanding individual.

ANTHONY CURTIS

● A sign of the times perhaps that two of the most memorable novels this year were by authors imitating the work of other authors—Peter Ackroyd's **The Last Testament of Oscar Wilde** (Hamish Hamilton, £7.95) and Timothy Finn's **Three Men (not) in a Boat** (Duckworth, £6.95) and most of the time without a dog.

The funniest first novel must surely have been William Smethurst's **Jennifer's Friends** (Methuen, £7.95) a wonderful send-up of the world of radio drama, written by a man with more than 200 episodes of The Archers under his belt.

NICHOLAS BEST

● The dance books of the year are dominated by the very handsome and beautifully presented catalogue raisonné of George Balanchine's work, **Choreography by Balanchine**. Published by the Eakins Press in New York (and available here from Dance Books in London at £75.00) it is the equivalent of the Köchel catalogue—rightly so for this Mozart of choreographers. It provides fascinating insights into his career, details every work, and includes a few surprises: I did not know that Mr Balanchine had choreographed the Colloque Sentimentale which was credited to André Eglevsky in the de Cuevas repertory, and was most memorable for its Dali designs featuring bicyclists much hindered by boulders and trailing gauze and a large tortoise. Here is the essential reference work about Balanchine, and fittingly, it is elegantly printed by Stamperia Valdonega in Verona.

CLEMENT CRISP

● Malcolm Bradbury's **Rates of Exchange** (Straker and Warburg, £7.95) is fiction's wittiest ever peek behind the Iron Curtain, into an imaginary Eastern European country where our hero, a British Council lecturer, is greeted by the massed cooing of pidgin English and the escalating incomprehensibility of the Communist bureaucracy. En route he is seduced, traduced and socially introduced in equal measure, and Bradbury's superb comic salvoes are all the funnier for being resolutely deadpan.

NIGEL ANDREWS

● Francis King's **Act of Darkness** (Hutchinson, £8.50) has been called a murder novel, but it is much more than that and my choice. Mr King tells an intriguing story, based on an actual unsolved crime, and offers his own fictional solution. He writes with considerable style and wit (in India, Brownies are called Bluebells "for obvious reasons") and provides the best description of the atmosphere as well as the landscape of India since Forster wrote of the subcontinent 60 years ago. Most importantly, King has sharp insight into the moods and motivations of a range of disparate and desperate people. A disturbing undercurrent of evil swirls through the book and sucks most of the characters into an almost self-willed destruction.

JEFFREY MEYERS

● I tend to read non-fiction rather than fiction, a bad habit of which I try to cure myself from time to time. Among the novels I read this year, I put William Trevor's **Fools of Fortune** (Bodley Head, £7.50) top of the list. Here in miniature is the tragedy of Ireland this century: caught in the whirlpool of political hatreds and vendettas, three generations of a single family are swept from happiness to destruction. It's a haunting work of rare beauty, with undertow of menace which inexorably takes over.

Roy Hattersley's experience of life and politics is altogether more cheerful, and his autobiography, **A Yorkshire Boyhood** (Chatto and Windus £8.95) is sheer delight. His account of a childhood passed within a close-knit working-class family in Sheffield in the 1930s and 1940s is written with much wit and warmth; and also with style, dispelling the conviction that politician's can't write good English. This one can.

David Sheppard's **Bias To The Poor** (Hodder & Stoughton, £5.95) is less easy to read but worth the effort. His concerns are the same as Hattersley's but presented more starkly. This is a book which presents us with the challenge of the urban poor in our midst, making an unashamed bid to shatter our complacency. Not as comfortable as the Hattersley, but it's the one I shall keep by me throughout the coming year.

MARY CRAIG

● My choice is **The Flutes of Autumn** by Peter Levi (Harvill Press, £7.95), memoirs of a man who writes partly about his own life but mainly about the underlying landscape of Britain; about what made what and, often with retrospective rage, who did what to whom in our hidden, historically scarred countryside, which he looks at as archaeologist, poet and in general man of the widest humanity and intuition: a travel book of sorts, with strenuous intellectual as well as physical journeys at various levels, exactly the sort to send me off with new eyes around my own country.

ISABEL QUIGLY

● My book of the year must be **Writers in Russia 1917-1978** by the late Max Hayward (Harvill Press, £7.95, paper-back). Hayward was incomparably the finest translator of his time from Russian, and his energy and range of interests were prodigious. It is primarily to him that we owe such works as Pasternak's Dr Zhivago, the two volumes of Nadezhda Mandelstam's memoirs, poems of Akhmatova and Voznesensky, the critical writings and satires of Andei Sinyavsky (alias Abram Terz), to name only a few—but it takes a careful study of the 12-page bibliography to grasp the full scope of his achievement. A diffident and self-effacing man, he was generous in his collaboration with others, including Patricia Blake, who has edited this selection, and contributes a long and affectionate introduction.

We shall not see his like again, but this heartwarming book provides a fitting memorial to a great talent.

ERIK DE MAUNY

● My choice **The Lisle Letters** (Secker & Warburg, £12.50) are "the lost moment of Tudor England": the private preoccupations, affections, hopes, and fears expressed in correspondence between Arthur Plantaganet, Viscount Lisle, his wife Honor, their man of business, John Husee; and others of their circle. They bring us as close as we shall ever come to "the almost unbelievable dailyness of life" between 1533 and 1540, and the terrifying rogues' gallery of Henrician politics. Fifty years of scholarship, skill, and love went into Muriel St Clare Byrne's majestic work of editing and commentary, published in six volumes in 1981.

This year Bridget Boland, the playwright, paid her a compliment doubly welcome, for those of us who flinched at the price of the completed masterpiece—by making a condensation in a single volume, scarcely less vivid and dramatic than the full, sweeping tide of news and events of the original.

GAY FIRTH

● **Peter Hall's Diaries** (Weidenfeld & Nicolson, £12.95) will remain a key document of the recent theatre as will Harold Evans's **Good Times, Bad Times** (Weidenfeld & Nicolson, £11.95) of the recent journalism. Both men, of humble background and zealous dedication, are totems of the meritocratic society. Their respective struggle—Hall at the National Theatre, Evans at Times Newspapers — are no less riveting for their little revealing touches of vaingloriousness.

MICHAEL COVENEY

● **Minotaur** by Benjamin Tammuz (Severn House, £7.95) is a short novel of great elegance and fascination. Love and the impossibility of its fulfilment is the main theme, I suppose, but it is an elegy about life passing, as well as a vivid rendering of many things Mediterranean (Tammuz is an Israeli). The author both relishes and pities everything about human beings, which makes him pretty exceptional among novelists these days.

Two Communist countries, China and Bulgaria, were brought alive for me by first-hand descriptions of them: respectively **The Middle Kingdom** by Erwin Wickert (Harvill, £8.95) and **The Truth That Killed** by Georgi Markov (Weidenfeld & Nicolson, £9.95).

DAVID PRYCE-JONES

● Fired, perhaps by the increasing incidence of Italian kidnapping and exorbitant ransom demands, Dick Francis has constructed another ingenious racing world thriller in **The Danger** (Michael Joseph, £7.95), which is my Book of the Year. In his usual ebullient and swaggering style, the author introduces us to the unlikely sounding and unorthodox Liberty Market Ltd. in the business of restoring victims to their families. The sympathy that Dick Francis evokes for the kidnapees, and the verve of the narrative, compel voracious reading until the almost bitter end.

KATE MORRISON

● The book which I found most memorable during 1983 was Ian Hamilton's biography, **Robert Lowell** (Faber, £12.50). Hamilton's study spares Lowell nothing—and that is how it should be. Well-meaning but essentially punch-pulling biographies, like Carlos Baker's of Hemingway or Brinnin's of Dylan Thomas, leave one with a sense of frustration. What are they hiding? Of course, it might be argued that unease of another kind could be caused by Hamilton's book. Do we really have to know all the dirt about our favourite poet? No, of course not, if we don't want to. But not only are such studies as Hamilton's fascinating as explorations into the psychology and behaviour of Man as Poet, they are also salutary reminders that the O Altitudo of the page and the De Profundis of the personality are two halves of the same coin.

GEOFFREY MOORE

● I pick **Scandal** (Hamish Hamilton £8.95) this year's novel from A. N. Wilson, whose facile and prolific style seems to stick in the gullet of the [illegible] contemporary fiction. It may not be quite his best: he is tackling a bigger than usual theme—politics, and sex, and morality, and espionage, and murder—and he lacks some of his usual joie de vivre. But it races along and anyone introduced here to this fine novelist will find even more pleasure in his earlier novels, which combine wit and seriousness in well-balanced measure.

ANTONY THORNCROFT

● The book I enjoyed most was Pushkin's **The Tales of Belkin with The History of the Village of Goryukino** translated by Gillon Aitken and David Budgen, (Angel Books, £7.98 or £3.95 paperback). Anything by Pushkin is bound to be more enjoyable than anything by anyone else, and a fresh translation is like a new vintage of Château Lafitte: certain to be a worthwhile experience at the very least. Actually, this seems like a very good vintage.

The modern novel I enjoyed most was Anita Brookner's **Look At Me** (Cape, £7.50), all the more desolate and harrowing for being cool, civilised, and sometimes cruelly funny. Every word, like the heroine's hair, is in place. The precise topography of London S.W.3, W.1., N.W.8., and W.9. is an extra bonus.

**Otto Klemperer, His Life and Times, Volume I 1885-1933** by Peter Heyworth, (Cambridge University Press, £15.00), is not only enjoyable but important because of the way it relates music to history and politics.

GABRIELE ANNAN

● Counting two books as one, I think there's been nothing this year that brought me such joy as the last two volumes of **Pepys's Diary**. The first nine volumes have stood on my shelf for so long, read through three times, and I began to think the others would never materialise. But here is the **Companion (Volume X)** (Bell and Hyman, £19.50) compiled and edited by Robert Lathan with an exact knowledge of what a Pepysist will want to know. And alongside it, the **Index (Volume XI)** (£19.50; £35.00 the set of two) also compiled by Robert Latham, which is so ideal an index that it can be read for pleasure without looking up the references.

B. A. YOUNG

● Since the appearance of the last of the Dance to the Music of Time, all Mr Powell's followers have been pining for more of his fiction, and now can welcome my choice **O How the Wheel Becomes It** (Heinemann, £6.95) rather as nicotine-addicts, suffering from withdrawal symptoms, might console themselves with a herbal cigarette. A delightful novella which captures the sharp tragicomic world of the 1920s and so much more.

NIGELLA LAWSON

● In **Elizabeth R** (Weidenfeld and Nicholson, £10.95) Lady Longford writes a biography of the Queen which combines tact with literary charm. Thus she avoids the twin perils of this kind of book, boredom and blandness. To those who wish something more than official piety, I recommend this book.

GEORGE MALCOLM THOMSON

● Alan Bullock's final volume of his life of **Bevin** (Heinemann £30.00) will remain required reading for all interested in the post-war period for many years to come. Bevin was a pivotal figure during the early stages of the Cold War and Bullock's masterly study, like his earlier biography of Hitler, sets the guide-lines for all subsequent treatments not only of British [illegible] Bevin's insistence replaced Britain as the guarantor of a new world balance of power. Norman Stone's tour de force, **Europe Transformed, 1878-1919** (Fontana £3.50) with its brilliant chapter on pre-1914 Russia informs and provokes and is wonderfully written. The most moving book I read this year was Athol Fugard's **"Master Harold" . . . and the boys** (Oxford £3.95). This play says everything about racism that needs to be said.

ZARA STEINER

● Three dazzling, illusion-busting books gave me the best reading in 1983. They were Paul Johnson's massive **History of the Modern World** (Weidenfeld and Nicolson £16.50), Martin Gilbert's latest Churchill volume, **Finest Hour** (Heinemann £15.95) and Nicholas Gage's **Eleni** (Collins £9.95) with all the pace of a novel but really a true account of his mother's murder in the Greek civil war and his search for her Communist killers.

All three books are really part of the same grim, twentieth century theme—the engulfing dishonesty and darkness of state power, which Paul Johnson traces with wonderful and detailed verve from Lenin to Pol Pot, from Berlin to Bandung.

DAVID HOWELL

● My first choice, Umberto Eco's **The Name of the Rose** (Secker & Warburg, £8.95), is surely the oddest oddball to have bounced onto the bookshelves this autumn. Here is a 14th-century Franciscan friar behaving like Sherlock Holmes, monks dying deaths of a melodramatic violence worthy of Ngaio Marsh, and over all a historical and theological gloss that provokes, startles and instructs on every page.

Signor Eco, a specialist in semiotics, has brought off a tour de force, aided and abetted by his translator, William Weaver.

My second choice is Rudyard Kipling's **"O Beloved Kids"** (Weidenfeld & Nicolson, £10.95), Elliot L. Gilbert's moving and delightful selection of Kipling's letters to his daughter Elsie and his son John, the apple of his eye, who was killed in action in the autumn of 1915. Beautifully produced, with Kipling's own drawing and a number of handsome photographs.

RIVERS SCOTT

● Lisa St Aubin de Terán's second novel **The Slow Train To Milan** (Cape, £7.95) is my first choice in fiction.

The non-fiction book of the year was Faber's collection of Philip Larkin's criticism **Required Writing** (£4.95 for a beautifully produced paperback). Though Larkin does not approach the sort of aggressive extremism which sometimes makes one wince when reading Auberon Waugh, he does have a similar knack of saying publicly what many believe yet hardly dare to articulate even in private—and making it sound like simple common sense.

CHRIS DUNKLEY

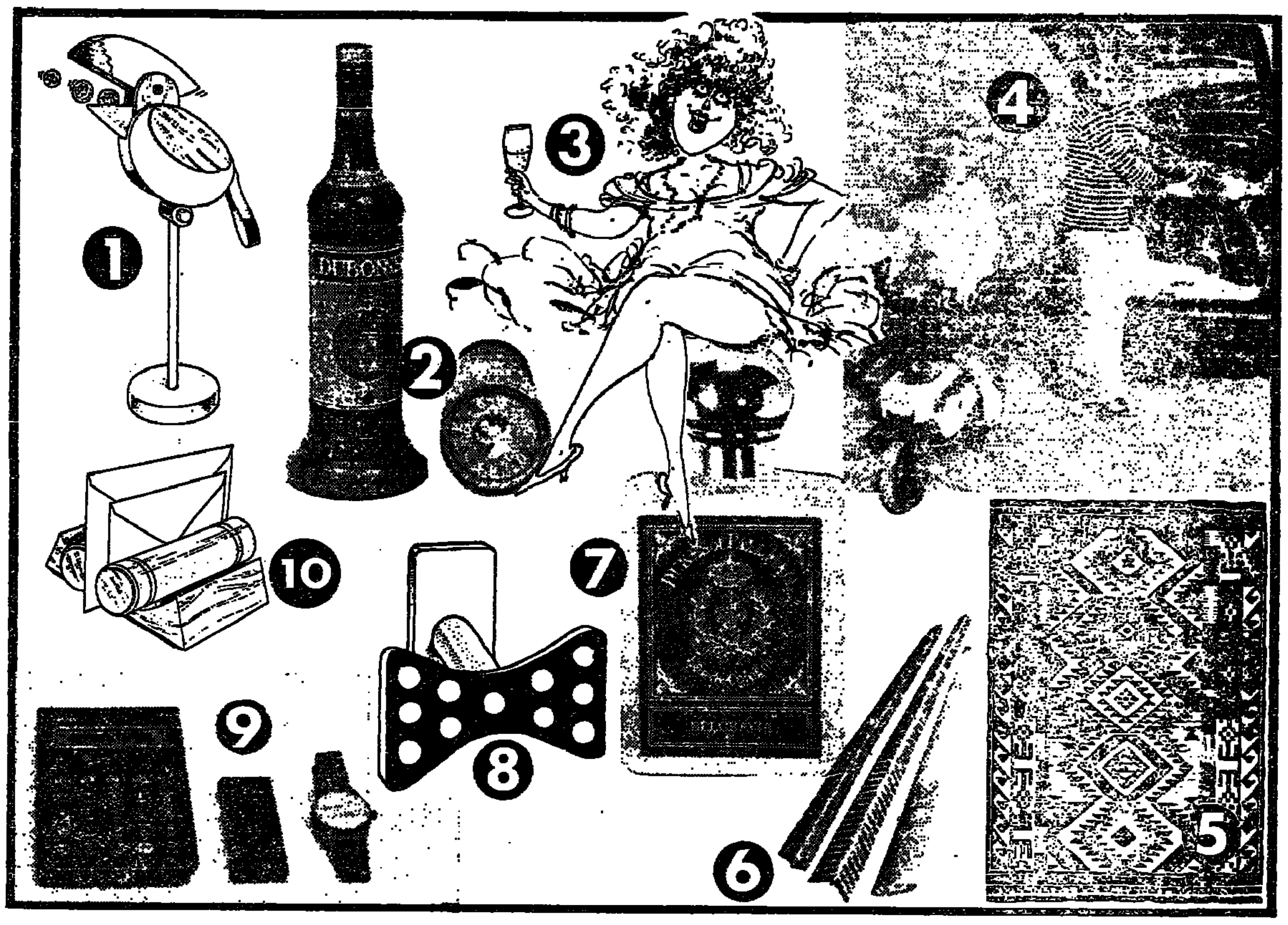
● The view that there is a Permanent Government of officials running Britain, whichever politicians are nominally in charge, has been a constant theme of political debate. It has been given a further and highly original, twist this year by Anthony Verrier in **Through the Looking Glass** (Jonathan Cape, £12.50), an analysis of British foreign policy since the war written from the perspective—and apparently with the help—of members of the Secret Intelligence Service.

PETER RIDDELL

by Feona McEwan

# Ten for Men

**If you find yourself sinking into a slough of despair at the thought of what present to give the man in your life this Christmas, perhaps the following ideas, some of them lighthearted, might inspire you to think along fresh lines**



## 1

Feeding the bird could take on a new meaning with this wooden toucan money box. Standing 15ins high, and brightly painted, this handsome beast accepts coins through the bill and releases them from the tail. There is also a parrot in the same range. £16.25 plus £2.50 postage and packing from The Last Detail, 341 Kings Road, London SW3. Telephone 01-351 6294.

## 2

When a telephone is not a telephone . . . , now that the design strictures have been relaxed in the industry, you can find telephones in the most unlikely guises. This Dubonnet bottle is one of the zaniest, a favourite predictably with publicans, but could perhaps prove a useful deterrent for dial-mad visitors. Costing £99, it stands 13ins high, and is operated by dialling on the base and holding the bottle believe it or not, to the ear. Available from the Telephone Box, at 339 Fulham Road, London SW10 and at 93a Peascod Street, Windsor, Berkshire.

## 3

One of the saucy illustrations from the brilliant pen of illustrator Ronald Searle, from his new book* *Winespeak*, which looks set to be one of this year's bubbling successes. In it, he takes the trade's favourite catchphrases — "full bodied," "a little unpretentious" and so on — and applies them to their human counterparts. Hence the merry tippler here carries the caption: "Overripeness coupled with some tartness."

She and her boozy soulmates, seen through Searle's wickedly accurate eye, make an hilarious present for anyone with a nose for the nectar.

* *The Illustrated Winespeak, Ronald Searle's Wicked World of Winetasting, published by Souvenir Press, £6.95.*

## 4

We've had the fold-up cycle, now here's the carry-away bike. From Honda comes the Motocompo, a mini bike in red or white, with automatic transmission, full lighting, indicators suspension and instruments — likely to appeal to the "toy" mad spender. It costs £499 and is currently on show in Harrods where it is creating a considerable stir.

The Motocompo is designed says the company to fit into the boot of the car, the hold of a plane, even the deck of a yacht. Weighing just 45kg it can be driven on full car licence, learner plates are not required. It measures 39 ins long x 21 ins high x 9 ins wide. Available from Mocheck, 24/8 Clapham High Street, London SW4. Telephone 01-720 6072.

## 5

Whether you have £25 to spend or £750, if Kelim rugs appeal as a possible present, Alastair Hull who imports the colourful flat weaves, could solve the problem. Two or three times a year he scours Afghanistan buying original rugs from traders, merchants and families. The rugs, range in age from 10 to 150 years old.

He carries a selection at The Old Mill, Haddenham, Ely, Cambridgeshire. Telephone 0353 740577. By appointment only.

## 6

Paper knives are curiously covetable objects to those who use them and these finely-made inlaid wood versions are no exception. Handmade by craftsman Peter Chatwin they are made of dyed and laminated sycamore veneer and cost £37.95 each. Available from the Craft Shop, V & A Museum, Cromwell Road, SW7; One-off department, Liberty, Regent Street; all in London. Stocks are limited so hurry for Christmas. Peter will take commissions though delivery will take about three weeks. Contact him at 1 Church Lane, Osgaburgh, Loughborough, Leics.

## 7

"For a league of gentlemen with old fashioned ideals, new fashioned ideas, who buy British on merit . . ." purrs the press release. If this sounds like someone you know — and even if it doesn't — then the heady fragrances from Dukes of Pall Mall could solve the present-giving problem for many a discerning gentleman.

The range of colognes and lotions "of England" come smartly presented in sepia bottles, gold-coloured lettering and boxing, with names to match — Cotswold and Belgravia. The traditional lemon tones of the latest stronger addition, Cotswold Special Reserve, attracted a full vote of approval in this office —the girls said they'd wear it themselves. Smartly priced, at £17.95 it can be found at leading department stores around the country including Harrods of Knightsbridge, London SW1 or direct by mail from Dukes of Pall Mall, 46/7 Pall Mall, London SW1 plus £1.50 for postage and packing.

## 8

There are a number of ways to store men's ties most of them on the humdrum side. Here is a witty variation of a tie tidy that is too good to conceal inside a wardrobe. The wooden "bow tie" hanger comes in stripes or spots and there is a choice of four base colours, red, blue green or yellow. It costs £2.55 plus 35p p&p from Graham and Green, 4 and 7 Elgin Crescent, London W11.

## 9

Surely some of the most stylish accessories around carry the Braun label. From men's electric shavers to fountain pens, the German manufacturer stamps its products with its own distinctive design hall mark.

Three items to find favour with design-conscious men — matt black calculator £30 plus £1.50 postage and packing; black cigarette lighter £10.50 plus 50p p + p and black Laurens watch with metal strap available in black, white, red and blue, £50 plus £1.50 p + p. Find them at Paul Smith, 44 Floral Street, London WC2; 23 Avery Row, London W1 and at 10 Byard Lane, Nottingham. Braun accessories are also available at main electrical retailers.

## 10

Redesign the landscape of his desk with this inventive letter holder. More stylish than an in or out tray, it will clasp up to 30 missives at once between its rollers. The holders, which have the Design Centre seal of approval, are handmade by designer craftsman Timothy Cole and are available in either walnut or oak, finished with a lacquer which can be lightly waxed. Prices are £29 for walnut and £23 for oak, inclusive of postage and packing. Contact Timothy Cole at PO Box 101, The Depot Workshop, Gloucester Green, Oxford. Telephone Oxford (0865) 726675. For delivery before Christmas order now as there is a limited stock.

# POSTSCRIPT

HOW OFTEN when looking for a good idea, does one turn the clock back and delve into times past? Cards are one example. For try as they might, modern manufacturers so often fail to deliver the charm and appeal of the (relatively) "ancient" versions. When it comes to Valentines, for example, the Victorians showed the world a thing or two. Yet for all their cloying sentimentality and elaborate design, their messages still hold a fascination for today's lovers.

Welcome then a unique new range of "moveable and pop up greeting cards," for Christmas and New Year, which are facsimilies of a collection in the Victoria and Albert Museum. They are enchanting and a world apart from the run-of-the-mill Christmas cheer found in most shops. Available as a set of 14 for £19 (inclusive of p and p) or individually (ranging from 75p to £1.75) only from the V & A Shop in the Museum, Cromwell Road, London, SW7, and the Albert Exhibition at The Royal College of Art, Kensington Gore, London, SW7.

●

FIRST there was the Financial Times diary. Now there's the briefcase, the conference holder, the cheque book folder, passport holder and more besides—a new range of accessories to meet the needs of the businessman.

Centrepiece of the City Collection of handcrafted leather goods is the briefcase, right, which comes with an optional built-in personal computer system offering the capacity to handle business calculations, engineering and technical applications. The computer is the Sharp PC1251 which has a full typewriter keyboard, numerical pad and 24 digit display with 24k memory.

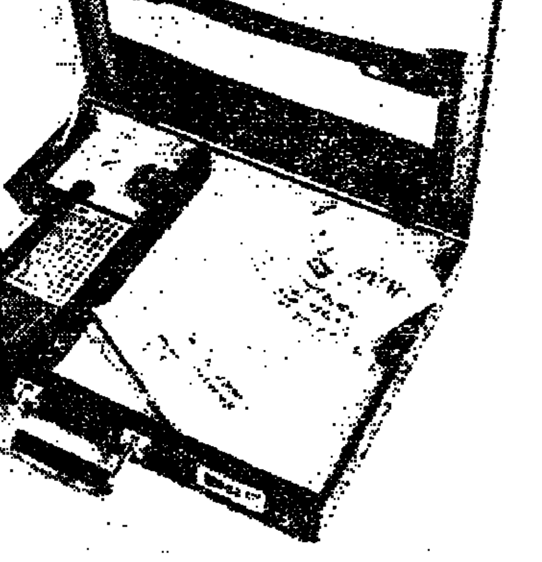
Prices including postage and packing but excluding VAT for the UK are: briefcase with computer £400; briefcase alone £225; business card holder £20; passport and credit card holder £14; conference folder £60. Gold blocking, an optional extra, costs £1.25 for up to four letters. Overseas prices are slightly higher.

The range is proving highly popular and stocks are limited. Contact Sarah Pebody, Diaries Department, Financial Times, Minster House, Arthur Street, London EC4. Telephone 01-623 1211.

●

BUTLERS may be a rare species these days but this striking figure, above right, is currently much sought-after. A wooden cutout, he stands 36 inches tall (and 16 inches at his widest point) and is dressed immaculately in black tails. He will fulfil various functions as well as providing considerable amusement from a telephone stand, to a coffee table. To some enthusiasts, such silhouettes which have their origins in the 18th century, have become collectors' items.

Made by James Covell the butler is available for £35 from Sylvia's, 25 Beauchamp Place, London SW3 and Harrods, Knightsbridge SW1 (ground floor, telephone department). Also from The Flying Machine, 424 Wilbraham Road, Chorlton, Manchester and at 18 Grove Street, Wilmslow, Cheshire.



Drawings by Frank Wheeler and photographs by Trevor Humphries.

Lucia van der Post is back next week

# London Symphony

BY DAVID MURRAY

The Olivetti International Webern cycle got properly into its stride on Thursday, with the London Symphony on keen form in a solidly exciting programme. Even Webern's introverted Passacaglia, his official opus 1, displayed broad late-romantic dimensions as conducted by Claudio Abbado, and the Six Pieces op. 6—excellently prepared for the recent Edinburgh Festival by these musicians—sounded colossal. In this original version for giant orchestra, the chamber-writing doesn't sound paradoxical when it is projected with such intensity; the sheer scale of the music belies the famous concision of the pieces, and the frailest of the instrumental voices are palpably trembling in the lee of massive things.

If the implacable crescendo of the Funeral March sets no special problems (though Abbado judged the keening solo-episodes most delicately), all the other pieces are harder. Not only were the fantastical sound-combinations—from haunted to scarifying—superbly balanced and translucent, but each individual phrase had its full expressive density: essential if the musical is not to seem just an extravagant study in timbres, but impossible to manage without clever players and alert musicianship all round. What's more, it was made to fill the Barbican acoustic space grandly, penetratingly, without blots or raw edges.

The concert ended with the Suite from Bartok's *Miraculous Mandarin*, an old Abbado favourite which had all its usual brilliance and controlled fury. The clarinet-seductions have sounded more sensuous before, I think; perhaps after the concentration demanded by Webern it was an exciting relief to blaze through Bartok's muscular score. But the evening had earlier included another substantial piece which had real revelatory power: Schoenberg's Piano Concerto of 1942, with Maurizio Pollini as soloist.

The Concerto hasn't exactly been neglected—Alfred Brendel, for one, has been a notable champion of the work these many years—but performances of it are rare enough that most members of every audience are hearing it for the first time. Too few virtuosos have taken it up, for it does need playing of great power and clarity as well as intelligence (and a conductor who can sort out some sullen orchestral textures). Pollini made even the awkwardest super-Brahmsian writing tingle, not thud, and his onward-pressing conviction was splendid. With Abbado in close rapport the symphonic sense of the Concerto was made plain and persuasive—and, no less, its surprising lyrical appeal.

**Nigel Andrews** views some controversial films and finds a moral amidst the horror

# The video nasty debate — sense and censorship

The father of a girl who has been raped and had her tongue cut out and her hands chopped off, obtains revenge by capturing her attackers and cutting their throats in her presence, while she holds a bowl between her stumps to receive their blood.

A horror highlight from a video nasty? No. A scene from an Elizabethan drama written 400 years ago: Shakespeare's *Titus Andronicus*.

In the field of horrific imagery, nothing is new under the sun. Having watched over a dozen "video nasties" since the long-running furore began, and having viewed most of them (unlike our moral guardians in Westminster) entire, I'm convinced that the current brouhaha against these works is one of the most spectacularly misguided eruptions of bureaucratic zeal seen in this country in recent years.

Last week I suggested some general reasons why censorship can be a pernicious force in any country that values the principle and practice of freedom. This week I hope that a tour through some specific examples will help to show why: and also to put the burden of proof back on the accusers, who currently have a virtually unchallenged field in which to wield their opinions.

For discussion it's best to divide the "nasties" into two groups. The first consists of those films which do not seem to me to qualify, even if one *accepted* the criteria of censorship hitherto existing in this country, for the suppression or expurgation. Leading this group is *The Bogeyman*, which though top of the pops among six-year-olds according to the famed recent survey, is almost certainly the most innocuous "nasty" I have seen. Apart from a brief and *outre* double-skewering scene, whose implausibility causes a tremor more of laughter than horror, this thriller of the supernatural is directed with skill and style by Ulli Lommel (a former Fassbinder collaborator) and relies far more on the paranormal than the visceral for its effect.

The face of horror: a harrowing scene from the film "Basketcase"

Equally limited as visceral shockers—and packed, to boot, with anaesthetising longueurs—are *Cannibal Terror*, *Nightmares In A Damaged Brain*, *The Evil Dead* and *Zombie Flesh Eaters*. These movies trade on long-winded scenes of pursuit or suspense leading to semi-ludicrous "climaxes" of evisceration or amputation in which much intestinal material, presumably borrowed from a butcher's shop or abattoir, masquerades none too convincingly as human matter. Sometimes there are more carefully honed shock moments: such as the scene in *Zombie Flesh Eaters* where a large human splinter slowly impales a human eye. But almost invariably a nonsensical plot reduces these episodes to showman's *grand guignol*, and in this instance the very *slowness* of the scene renders obvious the technique (a dummy human head).

Far more serious as candidates for "nastyhood" are *I Spit On Your Grave*, *Last House On The Left* and *Cannibal Holocaust*. The first of the above trio shows how a victim of multiple rape avenges herself on her attackers. The second shows the rape and murder of two girls, followed by the brutal revenge of one girl's parents. The third takes us to the jungle to show how a group of sadistic roving TV documentarists get their comeuppance at the hands of the anthropophagous natives.

These films, like many "video nasties," work on the double-dose principle of exploitative violence. First show horrific acts visited on a victim or group of victims. Then show the victims' revenge. Result: *walpurgisnacht* times two. But there's also here a glimmer of redemptive merit in the shape of a rough-justice punishment being meted out for the initial crime.

*I Spit On Your Grave*, probably the most infamous of the "video nasties," has a drawn-out rape scene that is undisguisedly brutal, and that has no doubt been censured by our Scotland Yard and law-court moralists for its potential tendency to whet brute male appetites.

But any male fantasist in the audience who finds himself inflamed into identifying with the attackers is rudely doused as the movie turns about. The notorious scene of one attacker's castration with a knife, when he shares an injudicious bathtub with the heroine, is not even seen in detail, but suggested: by his screams, by the bathwater flooding red. What horrifies, I strongly suspect, is the moral shock delivered to male viewers who have eagerly, even if unconsciously, climbed inside the psyche of the rapists.

I have no wish to cheat the issue of Censorship by pretending there is serious artistic merit in any of these movies. But in some, as I have shown, there is a crude infrastructure of moral justice, even if it's part-inspired by the catchpenny imperatives of the "double measure" vengeance plot.

But the real defence for this kind of film, I believe and have always believed, is the vital and inalienable right of artists—whether painters, novelists, playwrights or film-makers—to create nightmares as well as dreams. A society without the freedom to dream is a dead or atrophying society. It's the society of Soviet Russia or South Africa or Spain under Franco: police-state societies where censorship flourishes. And just as there is no good without evil nor beauty without ugliness, there can be no dreams without nightmares.

Violence, frightening and often seemingly gratuitous, exists in any society and it doesn't need the aid of artistic stimulus. Bluebeard and Dr Crippen and the Boston Strangler all committed their crimes without recourse to video nasties. Others of us who hopefully claim to be "normal" can benefit from visions of — or imaginative guesses at—how the other half think and fantasise. Art is the sharing of minds. And to be complete, that sharing must include the bad news as well as the good news from the human soul.

Each time the Censorship issue flares up, it seems necessary to point out again that no one *has* to see these films. Nor does *any* parent, guardian or schoolteacher have to allow his or her children to see them. And while protecting children, let us not fall into the trap of sentimentalising them. Many school-age youngsters have far more ghoulish imaginations than many mellowed adults. And school bullying (or have we all conveniently forgotten it?) can create scars in children, inflicted by their own contemporaries, far more real and painful than those of screen violence.

One other point about the impressionability of children to video nasties; and of adults too, come to that. The repetition facility in video—the fact that you can rewind and re-watch a scene again and again—works to reduce not to increase a film's shock value. Repetition not only creates the contempt bred of familiarity but it helps to expose, certainly by the third if not the second viewing, the technical artifices that create the horrific effect. It's probably the healthiest attribute that video has. It gives the viewer the initial impact undiminished and then allows him to disarm the experience by isolating the make-believe components: just as parents at the end of a gruesome Grimm's fairy tale might reassure the child by saying it was "only a story."

If you believe "video nasties" should be swept away *en masse*, you risk losing over the years —as others have argued before me—many an authentic artist and/or authentic masterpiece. (Hitchcock's *Psycho* was vilified in its day in terms virtually identical to those used today about video nasties). But far more importantly, you risk creating a society emotionally lobotomised by the loss of its freedom to dream and fantasise, on the dark as well as the light side of the imagination.

# Democracy versus tyranny

## RADIO

B. A. YOUNG

British democrats and Russian dictators—in the 17th century the balance was different from the 20th. On Thursday, Radio 3 gave us a fascinating programme about the debates of Cromwell's Parliamentary generals at Putney Church in October and November 1647, while on Saturday night Radio 4, in a talk called *The Hireling*, described the career of a Scottish mercenary in the service of Peter the Great.

Cromwell first. The Putney debates were adapted for performance by Jack Emery, and were played, not as a play, but as a "rehearsed reading," in the Cottesloe three years ago. The Parliamentary generals depended more on the guidance of God than the Parliamentary representatives of our own time. What they were debating was the constitution—the power of Parliament, the granting of the vote, the frequency of elections, most of all, the power of the King and the Lords. Cromwell (impressively spoken by Timothy West) held that Parliament must act according to the rules of war. There were those who didn't always agree with what he said—Rainborough, for example, who was offended that he was to be removed from the command of his regiment and made a Vice-Admiral.

T. P. McKenna played Ireton, Gordon Reid was Wildman, Brian Glover the potential Admiral Rainborough, and Philip Sully read the narration. When I saw this in the theatre I recorded in my diary that "to my great surprise I greatly enjoyed it"; and I greatly enjoyed it this time too.

There was no splendour of debate in *The Hireling*, only splendour of character. Patrick Ivanovich Gordon (as he became known) left his home in Scotland at 16 with the intention of seeking his fortune. As a Roman Catholic and a royalist, there were few prospects for him at home; but while in England they were putting kings to death, in Russia they had a king who founded an empire of his own. Gordon's account, much of it in his own words, and read with a pleasantly Scottish delivery by Tom Watson, is extraordinary.

Democrats and tyrants coagulated in Sunday afternoon's play on Radio 4, the repeat of the Monday play, *Thirteenth Night* by Howard Brenton. This was based on the plot of *Macbeth*, but set in England in some time fairly near the future. The Labour Prime Minister bumbles along without much vigor, but one of his Cabinet, the fiery Jack Beaty, has more ambitious ideas. We must nationalise American assets, and join the Third World, he says; we need a new form of democracy. To achieve this, he approves the riots that are taking place (they include the burning of the U.S. Embassy and the assassination of the Ambassador) while he and his mistress Jennie plan their new civilisation.

Having contrived to get the PM burnt in a drunken night after a gala, a blow with an axe having taken care of him first, Beaty assumes power. He has his friend and competitor Bernard murdered after appointing him to the FO. But another member of the Cabinet has escaped to California; he and the former head of security overthrow the government, Jennie kills herself (though without the benefit of somnambulism) and Jack is ultimately burnt to death in Churchill's old War Room. There he is discovered by the witch-like women who have been haunting the scene.

It all turns out to have been a dream, but never mind; it's very exciting and a good deal of fun. Mr Brenton is inclined to saddle his politicians with a lot of phrase-making, and the company played it neatly under Michael Heffernan's direction. Tim Wilkinson was Jack and Frances Tomelty Jennie: Bernard (Banquo) was William Nighy. Murgatroyd (Macduff) was Timothy Bateson.

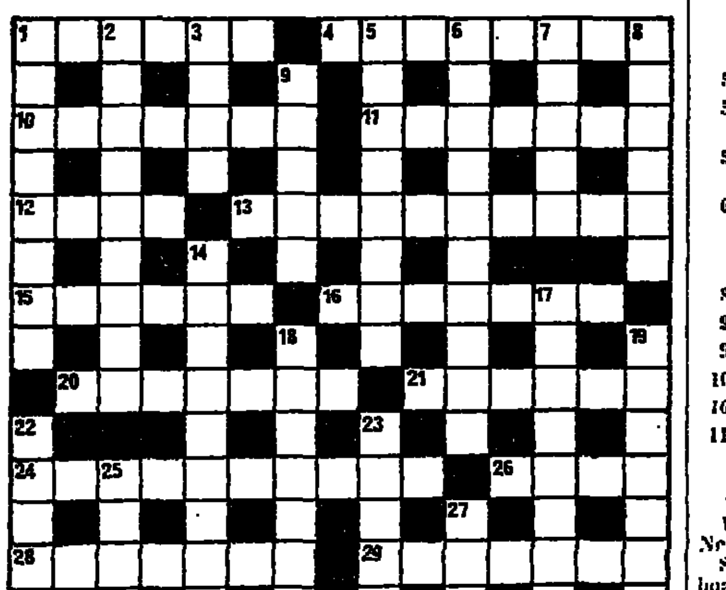
## F.T. CROSSWORD PUZZLE No. 5,290

*A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.*

*Name* ..............................

*Address* ..............................

..............................



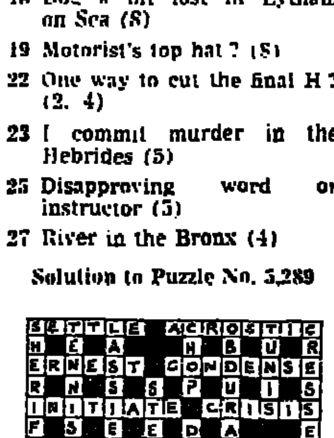
**ACROSS**

1 After sounding unwell, Ada is chirpy (6)
4 Hunt's leader in awful impasse, causing stress (8)
10 Sorry sort of defence? (7)
11 Bachelor opposed to song about Munich (7)
12 Weapon for fish on the turn? (4)
13 Complex construction with a catch in it? (7, 3)
15 Imperialist island? (6)
16 Puncture the surface if in frightening surroundings (7)
20 Boss who leaves bits out? (7)
21 No longer skating in place of work? (6)
24 Turn tail, as turned by a student of life (10)
26 Horses, to boot? (4)
28 Opposed to Scottish exclamation in old city (7)
29 Name a doctor came up with (7)
30 The Christian calling? Free moan, possibly (8)
31 Stove at Bramley, perhaps (6)

**DOWN**

1 Fuel harbour in China? (8)
2 Very smooth sort of orange? (9)
3 Fate of rising temper (4)
5 Volume of a whale (4, 4)
6 Hot on top of cold flat vessel, a skimmer (10)
7 Southern seamen's pay? (5)
8 Hush-a-bye baby, possibly—far from smart (6)
9 Demi-goddess goes to New York at speed (5)
14 A rent to be sneezed at? (10)
17 Old gun needs dressing in wool (9)
18 Dog a bit lost in Lytham on Sea (8)
19 Motorist's top hat? (8)
22 One way to cut the final H? (2, 4)
23 I commit murder in the Hebrides (5)
25 Disapproving word or instructor (5)
27 River in the Bronx (4)

Solution to Puzzle No. 5,289

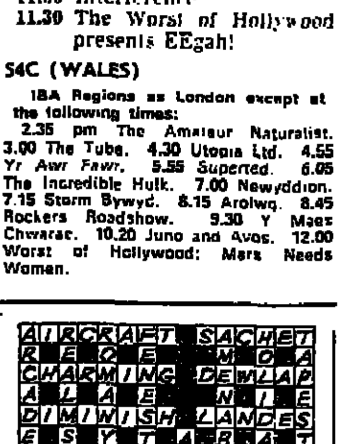


SOLUTION AND WINNERS OF PUZZLE No. 5,284

Mrs E. F. H. Murphy, Rose Cottage, Wendlebury, Bicester OX6 8PW.

Mr D. E. Jones, 263 Creighton Avenue, East Finchley, London, N2 9BP.

Mr G. T. Wilson, 14 Hafer Road, London, SW11 1HF.



†Indicates programme in black and white

## BBC 1

8.35 am Inch High Private Eye. 9.00 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.40 News. Football Focus (12.20). International Tennis (12.45, 1.15). The Australian Open Championships. Racing (1.00, 1.35, 2.10) from Cheltenham. Trampolining (1.50, 3.30). Ski-ing (2.25). Ice Hockey (2.45) U.S. v USSR. Rugby League (4.05) The John Player Trophy. Final Score (4.40).
5.05 News.
5.20 Some Mothers Do 'Ave 'Em.
5.35 The Noel Edmonds Late Late Breakfast Show.
6.40 "The Good Guys and the Bad Guys" starring Robert Mitchum, George Kennedy.
8.10 The Two Ronnies.
9.00 Bergerac.
9.50 News and Sport.
10.05 Match of the Day.
10.55 Carrott's Lib.
11.35 Late Night Horror: "House of Wax" starring Vincent Price.

REGIONAL VARIATIONS:
Wales: 5.15-5.20 pm Sports News Wales.
Scotland: 5.15-5.20 pm Scoreboard. 10.05-10.55 Sportscene.
Northern Ireland: 4.55-5.05 pm Northern Ireland Results. 5.15-5.20 Northern Ireland News.
England: 5.15-5.20 pm London—Sport; South-West (Plymouth)—Spotlight Sport; Other English regions — Sport/Regional News.

## BBC 2

10.10-11.25 am Open University.
†1.40 pm "Fra Diavolo" starring Laurel and Hardy.
3.05 Play Away.
†3.30 "Mr Skeffington" starring Bette Davis, Claude Rains.
5.35 Whistle Test on the Road: The Smiths at The Assembly Rooms, Derby.
6.15 Greek — Language and People.
6.40 Grand Slam. The final—Southampton v Bristol.
7.05 News and Sport.
7.20 Zubin Mehta Masterclass.
8.10 The Family.
8.50 Cameo.
9.00 Hawaii starring Max Von Sydow, Julie Harris, Richard Harris (1966).
11.35 News.
†11.40-12.35 am Twilight Zone Double Bill.

## LONDON

6.25 am Breakfast Television.
9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.
12.15 pm World of Sport. 12.20 World Cup Ski-ing. 12.45 News. 12.50 On the Ball. 1.20 Golf. 1.40 Racing—from Nottingham. 1.55 Darts — the Winmau World Masters. 2.10 Racing. 2.25 Darts. 2.40 Racing. 3.00 Darts. 3.45 Half-Time Soccer Round-up. 4.00 Wrestling from Kidderminster. 4.45 Results.
5.00 News.
5.05 Chips.
6.00 3-2-1
7.00 Cannon & Ball.
7.45 Punchlines.
8.15 Hart to Hart.
9.15 News.
9.30 The Day After starring Jason Robards.
11.35 London News Headlines. Followed by The Flash of Lightning with Clive James.
12.35 am After Midnight.
1.20 Randy Edelman in London. Followed by Night Thoughts with Rabbi Eliezer Weisz.

## CHANNEL 4

2.00 pm Coping
†2.25 The Ghost and Mrs Muir.
4.20 Evolution.
4.30 Chicago Teddy Bears.
5.05 Brookside.
6.00 How We Learned to Ski.
6.30 News followed by Citizen 2000.
7.00 Seven Days.
7.30 Union World.
8.00 Fragile Earth. Korup—An African Rainforest.
9.00 The Avengers.
10.00 Fox.
11.00 Interference.
11.30 The Worst of Hollywood presents EEgah!

**S4C (WALES)**

IBA Regions as London except at the following times:
2.35 pm The Amateur Naturalist. 3.00 The Tube. 4.30 Utopia Ltd. 4.55 Yr Awr Fawr. 5.55 Superted. 6.05 The Incredible Hulk. 7.00 Newyddion. 7.15 Storm Bywyd. 8.15 Arolwg. 8.45 Rockers Roadshow. 9.30 Y Maes Chwarae. 10.20 Juno and Avos. 12.00 Worst of Hollywood: Mars Needs Women.

## REGIONS

**ANGLIA**
9.35 am Vicky The Viking 10.05 Unicorn Tales. 5.05 pm Knight Rider. The Day.
11.35 After The Day After: presenter, Robert Kee. 12.30 am At The End Of

**BORDER**
9.25 am Cartoon Time 9.40 Tarzan 5.05 pm Knight Rider 9.15 News and Border Weather. 11.35 Journey To The Unknown: Paper Dolls.

**CENTRAL**
9.25 am The Wonderful World of Professor Kitzel. 9.30 The Green Hornet. 9.55 Wattoo, Wattoo. 10.00 Terrahawks: From Here To Infinity 5.05 pm Knight Rider. 11.35 Kolchak: The Night Stalker.

**CHANNEL**
9.25 am Saturday Space—Stingray Tom Thumb Tempest followed by Space 1999 The Metamorph followed by Puffin's Space 5.05 pm Puffin's Pla(i)ce. 5.10 Knight Rider. 11.30 Pink Floyd at Pompeii.

**GRAMPIAN**
9.35 am Fangface. 10.00 The Adventures of Gulliver 5.05 pm Knight Rider 11.30 Musical Special with Harry Belafonte. 12.30 am Reflections.

**GRANADA**
9.25 am Sesame Street 10.20 Cartoon 5.05 pm Knight Rider 11.35 Hawaii Five-O 12.30 am Alexis Korner and Friends in Concert.

**HTV**
9.30 am Sesame Street. 5.05 pm Knight Rider 11.35 Sad Cafe at the Victoria Palace London

**SCOTTISH**
9.25 am Storytime. 9.35 Stingray. 10.05 Happy Days 5.05 pm Knight Rider 11.35 Late Call 11.40 Star Parade.

**TSW**
9.25 am Dick Tracy 9.30 Freeze Frame 10.28 Gus Honeybun's Magic Birthdays. 10.30 The Magic Micro Mission 11.00 Little House on the Prairie 11.45 Jeanie Loves Charlie 12.12 pm TSW Regional News 5.10 Knight Rider 11.35 Pink Floyd at Pompeii. 12.45 am Postscript 12.50 South West Weather and Shipping Forecast.

**TVS**
9.25 am Wattoo Wattoo 9.35 The Smurfs. 10.00 Mork and Mindy 5.05 pm Diff'rent Strokes 5.35 DJ 11.35 Women in Rock 'n' Roll. 12.35 am Company.

**TYNE TEES**
9.25 am Morning Glory 9.30 Tarzan 10.25 TT Time 12.13 pm North East News 5.10 Knight Rider 11.35 The Day After — A discussion 12.30 am Epilogue

**ULSTER**
9.25 am Space 1999 10.20 Cartoon Time 4.56 pm Ulster Sports Results. 5.08 Ulster News 5.10 Knight Rider 11.35 Star Parade. 12.35 am News at Bedtime.

**YORKSHIRE**
9.25 am Regional Weather Forecast followed by Melotoons 9.35 Metal Mickey 10.00 University Challenge. 5.05 pm Knight Rider. 11.35 After the Day After.

**RADIO 1**
(S) Stereo broadcast
8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm My Top 12 (S) 2.00 Gary Byrd (S) 4.00 Saturday Live (S) 6.30 In Concert (S). 7.30 Janice Long 10.00-12.00 Gary Davies.

**RADIO 2**
7.30 am David Jacobs (S) 9.30 Sounds of the 60s (S) 10.30 Album Time (S) 11.30 Kenny's Crystal Ball (S) 1.00 pm The Grumbleweeds. 1.30 Sports on 2: Racing from Cheltenham (1.40, 2.15), Rugby League (2.30, 4.50); Football, 5.00 Sports Report, including 5.00, 5.50 Classified football results. 6.00 Country Greats in Concert. 7.00 Beat the Record 7.30 The Philharmonia (S). 9.30 Big Band Special (S). 10.00 Saturday Rendezvous (S). 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Liz Allen (S).

**RADIO 3**
7.55 am Weather 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S) 10.15 Stereo Release (S). 11.15 Salzburg Mozart Week 1983 (S). 1.00 pm News 1.05 Teresa Berganza (S). 2.00 Ernest Ansermet (S). 4.00 Colours of the Celestial City: portrait of Olivier Messiaen (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Music for Organ (S). 7.05 A Matter of Nettles. 7.30 Messiaen at 75 (S) 8.10 Hope for the Future. 8.30 Messiaen, part 2 (S). 9.15 Schubert (S) 9.45 The Poetry of Ernest Dowson. 10.05 Schubert, Mass No. 5 (S) 11.00 The Complete Webern (S) 11.25-11.28 News.

**RADIO 4**
7.00 am News. 7.10 Today's Papers 7.15 On Your Farm 7.45 Reading Between the Signs 7.50 It's A Bargain. 7.55 Weather; Travel, Programme News 8.00 News 8.10 Today's Papers 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather, Travel. 9.00 News. 9.05 Breakaway 9.50 News Stand 10.05 The Week in Westminster. 10.30 Daily Service (S) 10.45 Pick of the Week (S) 11.35 From Our Own Correspondent 12.00 News; Money Box 12.27 pm The First Half Century (S). 12.55 Weather; Programme News 1.00 News 1.10 Any Questions? 1.55 Shipping Forecast 2.00 News. 2.05 Afternoon Theatre (S) 3.00 Medicine Now. 3.30 Worlds of Faith (S). 4.00 News: International Assignment 4.30 Does He Take Sugar? 5.00 Wildlife. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News 6.00 News; Sports Round-up 6.25 Desert Island Discs (S) 7.05 Stop the Week with Robert Robinson (S) 7.45 Baker's Dozen (S) 8.30 Saturday Night Theatre (S). 10.00 News. 10.15 Sevenna (S) 11.00 Lighten Our Darkness 11.15 Island Commander. 12.00 News

**RADIO LONDON**
7.32 am Good Fishing 8.04 London Today. 9.03 The Way It Was 9.30 Corridors of Power 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show 2.02 pm Breakthrough 3.30 The Great Composers 6.00 Guideline. 6.30 Evening Star. 7.30 Hold The Front Page 8.00 Radio Replies 8.30 Good Fishing. 9.00 As Radio 1 12.00-5.00 am Join Radio 2.

**LBC**
7.00 am AM with Peter Deeley. 10.00 Jellybone with Mal Reding. 12.00 LBC Reports with Des Fahy 1.00 pm Sportswatch. 4.00 LBC Reports 7.00 Goat Mala 8.00 Network 9.00 Hayes on Saturday. 10.00 Nightline with Philip Hodson.

**CAPITAL RADIO**
7.00 am The Breakfast Show 10.00 Pick of the Pops — Take Two 12.00 Love Song Saturday. 2.00 pm Afternoon Delight 5.00 Gary Crowley's Magic Box. 7.00 Greg Edwards' Soul Show. 9.00 Roots Rockers 11.00 Foreign Affair. 12.00 Midnight Special.

## CHESS SOLUTIONS

*Solution to Position No. 493*

1 . . . R-K7! so that if 2 RxR, QxR; 3 Q-KN1, Q-B6 ch or 2 Q-KB1, RxR; 3 QxR, Q-Q8 ch; 4 Q-N1, Q-B6 ch forcing mate. The game ended 2 Q-Q1, Q-N7 ch! and White resigned because of 3 RxQ, PxR ch; 4 K-N1, N-R6 mate.

*Solution to Problem No. 493*

1 B-N5 (*threat* 2 B-B6), K-B6 ch; 2 P-K4, or if K-Q4 ch; 2 B-Q3, or if PxB; 2 Q-R8.

# Festive scrap sheets

BY JUNE FIELD

Children with Toys scrap sheet from The History of Scraps by Alistair Allen & Joan Hoverstadt (New Cavendish Books).

A DISH of flour and water paste, a small paint brush and a pair of sharp scissors were all the Victorian child or even adult needed to pass a creative winter evening.

Sticking bits of paper into an album goes back to the early 1800s, when "scraps" evolved from simple black and white engravings to heavily embossed chromolithograph reliefs printed in sheets.

Lithography was introduced in 1798 by Alois Senefelder, the improved colour version around 1837. Embossing gave the sheets their raised, three dimensional effect.

The great age of scrap collecting was around 1870 to the turn of the century. Subjects ranged over luscious fruit and flowers akin to the wax variety kept under glass domes, children in nursery rhyme costumes, soldiers on horseback, and of course Christmas angels, trees and festive scenes. (In 1885 Raphael Tuck and Sons were heavily promoting "Santa Claus on Christmas Journey".)

Romantic and sentimental themes were much in evidence, with a particular favourite hands clasping roses with messages such as "True to Thee" and "Forget Me Not." Several publishers produced penny sheets (8s a gross), lauding "Our Brave Soldiers in the Soudan;" they featured "General Gordon the Hero of Khartoum," and Colonel Fred Burnaby at the Battle of Abou Klea.

Or there were biblical scenes (Daniel in the Lion's Den), and a gallery of celebrities from Gladstone to General Booth, Commander of the Salvation Army.

A series of 12 reliefs painted by Arthur and Harry Payne commemmorated Queen Victoria's Jubilee; they recorded the death of the Prince Consort on December 14 1861, and showed the widowed Queen being advised by Gladstone in 1871 to use the Royal Prerogative over the House of Lords and abolish purchase of Army commissions.

This kind of series showed that, however mannered and banal some of the bright glossy designs were, they could reflect some of the important issues of the time.

Not all scraps were ready-made. A *Cassells Household Guide* of the 1880s, giving instructions on screen-making and albums, an occupation which "entails no mental exertion," exhorted one to "take the pictures from sheets of music, garlands of flowers from Christmas cards, coloured prints, landscapes" and so on.

The writer went on to point out that coloured lithographic prints were now so common there would be little difficulty in obtaining materials. As regards design on screens, prints could be arranged "pell mell, every cranny and nook being filled up" or used in "studied confusion."

A related leisure occupation of the times was *decalcomanie*, from the French meaning transfer. In 1867 *The Lady's Book of the Month* featured an advertisement for "The New and Beautiful Art of Transferring Instantly Pictures to China, Glass, Wood, Silk and Other Materials."

The idea was to ornament the outside of vases, plates, card cases, toilet bottles and the like, "in imitation of the finest painted china." The method consisted of transferring coloured designs or prints from paper on to the article to be decorated.

Complete boxes of equipment (fixing liquid, varnish, brushes, sponges and rubbing down material), cost from 10s.6d to 2 guineas. Not cheap by Victorian standards.

Yet another "art" was *potichimanie*, derived from *potiche*, an Oriental-style glass vase. To decorate the vase it was not necessary to undergo the laborious task of actually transferring a design to the surface.

The scraps were just stuck *inside* the jar, so that the pattern showed through, the spaces in between filled with coloured paint, and the whole lot varnished. The heroine of an 1873 woman's journal declared that "if grounded in pale blue or pink, it might be made to look like a Sèvres vase."

Collector-extraordinary of sheets of ready-made scraps is Alistair Allen, whose collection was on show at the Bethnal Green Museum in 1977. Together with Joan Hoverstadt, he has expanded his excellent exhibition catalogue into a full-scale book, *The History of Printed Scraps* (New Cavendish Books £12.50 from Jan Hopcraft, NCB, 23, Craven Hill, London, W2).

A useful reference it traces the development of scraps from 1800, and charts an extensive list of scrap producers. The colour reproductions of the sheets (encompassing flowers and ferns, fox-hunting, fish and *crustacea*, funny dogs and firemen), are superb.

Full uncut sheets of scraps in perfect condition are getting hard to find. But two good hunting grounds are Pleasures of Past Times, 11, Cecil Court, London, WC2, and John Hall 17, Harrington Road, London, SW7.

John Hall, whose speciality is theatre ephemera, nevertheless has a large stock of individual scraps from 10p to £5, covering the 1860s to the beginning of this century. But anything like scraps on music covers are rare, and he has a list of people waiting for them to surface.

He has old Christmas cards too, from 50p to £2.50, with heavily ornamented ones nearer £30. (Callers only, from 10.30 to 6 weekdays.)

Pollock's Toy Museum, 1, Scala Street, W1, has a few 1930s scraps at 50p a sheet, and also keeps Elizabeth Ralf's work on scraps, *Angels and Roses*, a short book printed in Stockholm in 1973. Translated into English, it is £2.50 plus 40p postage.

The museum is open every day 10-5 except Sunday, with Christmas Eve closing around 3 pm, and reopening Tuesday after the holidays.

# Violent fluctuations in the market

## STAMPS

JAMES MACKAY

ALL MARKETS are cyclical, but the stamp market seems to be more cyclical than others, its peaks and troughs exaggerated by fashion. Left to their own devices most philatelists would be quite happy to purchase stamps with the intention of hanging on to them for a lifetime—or at least until the time came when their palsied fingers could no longer hold a magnifying glass.

It was the novelty and attractiveness of philately as one of the most lucrative of the alternative investment areas which added a new dimension to the buying and selling of stamps and pushed the prices of certain stamps to undreamed-of heights, particularly in the heavy period of 1979-80.

The lull which usually follows each decennial international stamp exhibition in London coincided, in 1980, with the effects of the worldwide recession. As prices began to drift downwards panic seized the investors who rushed to unload their holdings, ignoring the fundamental merits of their investment.

The ensuing recession in the philatelic market had more false bottoms than a smuggler's luggage; every time prices seemed to be levelling out they plummetted even further. By the spring of 1983 many of the more fashionable items of yesteryear were trading at around a third of their 1979-80 peak, a grave situation compounded by the fact that inflation in the intervening period had raised the general price level by about 50 per cent.

The Postal Union Congress £1 stamp of 1929 peaked at £2,500 in 1979; in May-June 1983 unmounted mint specimens were fetching an average of £700 in auction. The £1 Seahorse stamp of 1913, unmounted mint, fetched as much as £6,000 at the height of the boom; early in 1983 such stamps regularly sold for £1,000. Fine used Penny Blacks made £300 in 1979-80 and fell to half that sum in 1982.

Long-term philatelists were not unduly concerned by these violent fluctuations. Ten years ago they could have purchased the PUC £1 for £80, the Seahorse for £150 and the finest Penny Blacks for £15-£20, so that even at the depths of the slump their long-term investment would have seemed reasonable enough.

The market began to show the first real sign of an improvement in the autumn of 1982 when Sir Maxwell Joseph's collection of Cape of Good Hope stamps sold for £1m. Many stamps in this collection were the higher priced classics suitable for investment, and competition was keen among the bidders to obtain these items. Even at a time when the market was still generally sluggish, in February 1983, Stanley Gibbons held its most successful auction for more than a decade.

An unprecedented number of lots sold, and significantly the British section attracted the keenest bids with many items selling for well over the estimates.

This trend continued in May when Gibbons held its "Prestige Stamp Auction." A high proportion of the material offered in this sale came from stamp investment portfolios and some items actually sold for more than three times their estimate; in other words, material which had temporarily gone out of fashion was suddenly fashionable once more.

Other major London auction houses have reported similar successes and have confirmed that good material in superlative condition is very much in demand again, and this trend seems to have gathered momentum since the beginning of the 1983-84 season. Sotheby's first sale of the season saw many lots selling for around 20 per cent above estimate. The Harold Fisher collection of 19th century British stamps, auctioned by Phillips in September, followed a similar pattern, with only one item unsold out of 1,183 lots.

The renewed vitality of the salerooms is not confined to Britain. Frimarkshuset held their largest sale of Scandinavian material in October and realised over £½m. David Feldman of Zürich recently staged one of his marathon sales, with the 16,000 lots spread over six days fetching almost SwFr 10m, an all-time auction record.

The American market, cashing in on economic recovery ahead of Europe, has been quite bullish since July and "positive activity" has been reported at thet numerous fairs and bourses which are a feature of the American philatelic scene.

There are two lessons to be learned from the recent stamp recession. The first and more important is that the genuine collector has probably profited from the slump, being in a position to purchase many items at bargain prices. Collector demand is now stronger than ever and this has made for much greater stability in the market.

Dealers' buying advertisements, so long absent from the philatelic press, have begun appearing again—a sure sign of recovery. Many of the newcomers to the hobby who have hitherto concentrated on new issues are turning to the older material, of which there is only a finite amount available. This, in turn, has led to modest increases in the prices quoted in the 1984 Stanley Gibbons Catalogue (£15.95).

The second lesson is that the investors who managed to hang on to their portfolios throughout the years of recession may yet come out ahead of the game, especially if their investment dates back further than 1979. Previously five years was considered the optimum period but I would not suggest 7-10 years in the current economic conditions.

# 'No other fish but whitebait . . .'

JUNE FIELD'S recent article, "It all started with whitebait" recalls the once famous Ministerial fish dinners, principally whitebait, which flourished when even the lower reaches of the Thames were famous for their whitebait.

An authority on the subject is W. Yarrel, whose *History of British Fishes*, published in 1836 long remained a standard work.

So abundant were Thames whitebait that whitebait taverns abounded along the lower reaches of the river and were the origin of the annual Ministerial Fish Dinner, the fish having to be netted by Blackwall or Greenwich.

Only a century ago it was considered in the very best informed circles "to the riverside we must go to enjoy a 'whitebait dinner,' for one of the conditions of success is that the fish should be directly netted out of the river into the cook's cauldron."

About a century before that, Thomas Pennant a famous 18th century naturalist, had written that whitebait "are esteemed very delicious when fried with fine flour, and occasion during the season a vast resort of the *low order of epicures* to the taverns contiguous to the places where they are taken."

But by 1877 the fashion of eating whitebait *on the spot* was indulged in "by the highest authorities, from the Court of St James's Palance in the West to the Lord Mayor and *his* court in the *East*; besides the philosophers of the Royal Society, and Her Majesty's Cabinet Ministers."

Cabinet Ministers travelling down the river to partake of a whitebait dinner was no new thing. It was almost accidental in its origin.

Sir Robert Preston, once MP for Dover, had what he called his "fishing cottage" on the banks of Dagenham Reach, or Lake in the 18th century where he entertained parliamentary friends. His most frequent guest was George Rose, Secretary of the Treasury.

Both were close friends of Prime Minister William Pitt the Younger and Rose suggested that Pitt might well enjoy staying at such a retreat. A date was arranged for a visit, and Pitt was so well pleased with it that he continued the visits for some years. Then Preston suggested they should meet somewhere nearer London.

Greenwich was agreed on and the meetings continued until the death of Pitt. But Preston was still asked to invite the usual guests, the list including most Cabinet Ministers.

Trinity Monday was the usual time for the festivity, a short time before the end of the parliamentary session. Gradually, the gathering, which began as purely gastronomic, became political.

So grand did the dinners become that Ministers went down the river from Whitehall in an Ordnance gilt barge. And every year the approach of the end of the session was indicated by the "Ministerial Fish Dinner."

The dinner usually took place at a principal tavern — generally at Greenwich, occasionally at Blackwall—and the dining room was prepared as for a state occasion.

With the speedy progress of the last century, the Ordnance gilt barge was replaced by a steamer.

The demand for Thames whitebait grew. Thomas Walker, the police magistrate best known as author of *The Original*, gives a glowing account of a dinner he ordered at Lovegrove's West India Dock Tavern, Blackwall, including this passage:—

"The dinner is to consist of turtle, followed by no other fish but whitebait, which is to be followed by no other meat but grouse, which are to be succeeded simply by apple-fritters and jelly, pastry on such occasions being quite out of place.

"With the turtle, of course, there will be punch; with the whitebait, champagne; and with the grouse, claret; the two former I have ordered to be particularly well iced. . . . I shall permit no other wines, unless, perchance, a bottle or two of port, particularly wanted as I hold variety of wines to be a great mistake.

"I shall take care that there is cayenne, with lemons cut in halves, not in quarters, within reach of everyone, for the turtle, and that brown bread and butter in abundance is set upon the table for the whitebait. . . . The dinner will be followed by ices, and a good dessert, after which coffee and one glass of liqueur each, and no more. . . ."

A Dr Periera left us an account of cooking whitebait in one of Lovegrove's "bait kitchens" at Blackwall.

The fish should be dressed within an hour of being caught, or they are apt to cling together. They are kept in water, from which they were taken by a skimmer as required. They were then thrown on a layer of flour, contained in a large napkin, in which they were shaken until completely covered by flour.

But in a colander, all superfluous flour was removed by sifting. For cooking, the fish were then thrown into hot lard in a copper cauldron or stew-pan over a charcoal fire.

After about two minutes they were removed by a tin skimmer, thrown into colander to drain and served immediately by placing them on a fish-drainer in a dish.

The quickness of the cooking was the most important element. At table, lemon juice is squeezed over them and they are seasoned with Cayenne pepper. And they are best eaten with iced champagne or punch.

Oh, wonderful days! And perhaps from Preston at Dagenham via Greenwich and Blackwall we can look forward to the time when the Prime Minister may be able to resume these down-river fish dinners with whitebait caught locally. As the new purity of the Thames proceeds apace, is it too much to hope to reap harvests of whitebait at Greenwich and/or Blackwall?

Ross Wilson

SPORT

**John Barrett** reports on the Superkids of tennis

# Young, ambitious and lethal

ONE OF the features of the 1983 season has been the emergence of some fine teenage boys among the top 100 ranked men.

The two youngest are Stefen Edberg, a 17-year-old Swede who is coached by Percy Rosberg, the man who set Bjorn Borg on the winning trail, and America's Aaron Krickstein whose win in Tel Aviv in October at the age of 16 years and two months made him the youngest winner of a Volvo Grand Prix tournament since open tennis began in 1968.

Curiously these two were opponents in the first round of this year's U.S. Open when Krickstein won a magnificently competitive match on a tie-break in the fifth set. He is a natural match player and when we saw his beat Vitas Gerulaitis in a 6—4 final set to reach the last 16 (where Yannick Noah beat him) we knew that his potential was unlimited.

He timed the ball quite beautifully and has a whirling top-spin forehand almost as lethal as Ivan Lendl's. The Tel Aviv win has rocketed Krickstein from 489 to 97 on the ATP computer rankings in seven weeks and he will surely climb higher.

Though Edberg has concentrated on the junior circuit where he is the first boy to win the French, Wimbledon and U.S. Open titles in the same year, he has taken his ranking to 64. When I first saw him at Bournemouth last spring I was immensely impressed by his graceful rhythm and timing.

He is a great competitor and, unlike all the young Swedes, has a "conventional" game and plays righthanded without a western grip, a double-handed backhand or excessive top spin. Thankfully he is a superb natural volleyer too and will give us all much pleasure in the years to come.

Since the arrival of Chris Evert (as she then was) at the top of the game as a 16-year-old prodigy, in 1971, we have become accustomed to seeing teenagers among the leading women. But we used to think that the brutal physical demands of the men's game alone would make it impossible for a boy to live in a man's world—even if he possessed the mental qualities and the talent.

Hoad and Rosewall we said, were exceptions to prove the rule. Borg was surely a freak.

Then, last year in Paris, along came Mats Wilander with that sensational run of victories against Lendl, Gerulaitis, Clerc and Vilas that made him youngest French champion ever at 17 years six months and nine day—half a year younger than Borg had been in 1974. Like his famous countryman, Wilander had the wiry frame of a natural athlete—plus a mind of unusual strength.

Today Wilander, at 19, is ranked Number 5 in the world on the strength of eight Volvo Grand Prix wins this year—twice as many as anyone else. Immediately behind him in sixth place is another 19-year-old, the tenacious American Jimmy Arias who has won four tournaments this year.

In spite of his lack of inches (he stands 5 ft 9 ins in his socks) Arias has hte heart of a lion, as we saw in the tropical heat at Flushing Meadow, where he reached the semi-final with a gritty win against Noah 7—5, in the final set. Like Lendl, Arias has a big forehand and has learned how to build his game around it.

There are three more teenagers among the top 50. Henrik Sundström (19), ranked 24, is another of those impressive Swedes who won three tournaments in as many weeks early in the year; Pat Cash (1[…] ranked 35) with the build of [a] middleweight boxer, is the ne[w] white hope of Australian tenn[is] and before Krickstein had bee[n] the youngest Grand Prix tourna[]ment winner with his succe[ss] in Melbourne, his home tow[n] last January when he was 1[…] Jimmy Brown (aged 18, ranke[d] 46) is a former U.S. nationa[l] under-16 champion — anothe[r] fine athlete with the will to wi[n].

It is clear, then, that th[e] pressure cooker of profession[al] tennis where incentive an[d] opportunity abound has pr[o]duced a new generation o[f] super kids. Nowhere is thi[s] more apparent than in Sweden which can now boast seven me[n] in the top 64 in the world — Wilander (5), Sunstrom (24), Anders Jarryd (28), Stefa[n] Simonsson (58), Thomas Hog[]stedts (60), Joachim Nystrom (62) and Edberg (64).

It is somewhat chilling to lis[t] the rankings of the top seve[n] Britons—Dowdeswell (69), Mo[t]ram (136), Lloyd (155), Smit[h] (236), Lewis (268), Jarret (324), and Brown (340).

Even Borg on 288 is ahead o[f] two of them — and he ha[s] not lifted a racquet for 1[…] months.

Krickstein and Edberg . . . knocking at the door

# A pinnacle for some sportsmen

**Trevor Bailey**, a Cambridge soccer Blue, takes a nostalgic look at the 100th Varsity game

WHAT can I remember about the university soccer matches in which I played so many years ago? First, and most important, Cambridge won. Second, the Dulwich Hamlet ground seemed an ideal venue as it held just about the 12,000 who came to watch and produced far more atmosphere than 6,500 at Wembley.

It suited me, as I have always thrived on a full house, and a goal against Oxford, especially the decider, is something one never forgets.

University matches, especially the rugby, cricket, soccer and hockey, as distinct from the individual sports, have an importance and significance which is difficult for anybody who has not participated to comprehend. For the players they represent the highlight of their sporting year, and for many they will be the pinnacle of their sporting careers.

These annual sporting battles are unlike any other contest in sport. In football the nearest equivalent would be a Cup Final, but that is only the climax of a tournament, whereas that clash between Oxford and Cambridge is essentially a one-off occasion. All the training and the games throughout the term have simply been preparation for the *pièce de resistance*.

Increasing still further the glory is that to gain a Blue—which though it has lost much of its former glamour, prestige and meaning, is still coveted—it is not enough to be chosen for the university in any of its matches against other clubs. You have to play in the Oxford match, which is contested with a fervour seldom equalled.

The big money now to be had in professional sport as a direct result of television and commercial sponsorship, has inevitably devalued all amateur sport, and university matches are among the many casualties. Remember how Derek Pringle opted to play in a Test, rather than captain Cambridge at cricket!

There are a number of reasons, including social ones, why the varsity soccer match has never exerted the same appeal as the rugby, or cricket matches. But the main one is that the standard of football, when compared with the best in the land, is not that high. Even now, though more frequently in the past, a rugby or cricket undergraduate is good enough to gain international honours, but no player in modern times could hope to bridge the enormous gap between the universities and international teams which exists in soccer.

The 100th inter-varsity soccer match at Wembley last Wednesday, where I saw my old team draw two-all with Oxford in a fast, clean and entertaining game, was a credit to both sides.

Although an historic occasion, football has in fact been popular at Cambridge for more than 150 years. In his 1838 diary the master of Jesus College wrote: "In walking with Willis we passed Parker's Piece and there saw some 40 Gownsmen playing football." In the 1850s and 60s Cambridge University Football Club formulated what eventually became the rules of the game, while its contribution both from the playing and the administrative points of view, especially in the early days, have been considerable.

I was delighted by the football produced in this year's match, despite a treacherous surface.

How did they compare with the Cambridge teams I played in? They were certainly faster, superior in the air and their first time touch-passing far better, though we used to have to contend with a leather ball which not infrequently took on the characteristics of a cannon ball. But we did enjoy one big advantage, which probably applied even more to rugby and cricket. We were, in the main, considerably older and therefore more mature physically. I think only two in my team had come straight from school to Cambridge.

The centenary celebrations continued in the evening with some 300 former Blues joining the two teams at a hotel. The speeches, which did not flow as freely, and were much drier than the wine, gave me plenty of time to examine my contemporaries at the table. We definitely had not been as fast on the pitch, but the most intriguing feature was that four of us had also played cricket for Cambridge, while Mike Crawford who, as the present chairman of Yorkshire CCC, must have the most difficult job in the game, once captained Yorkshire's 2nd XI. To emphasise still further the close association between the two games, at the next table there were a couple of usfeul batsmen—Peter May and Hubert Doggert!

**Tom Lynch** looks at soccer north of the Border

# Why they don't belong to Glasgow

IF PROOF was still needed that Scottish football has changed radically in the last few years, the autumn of 1983 has furnished it. Celtic and Rangers, the "Old Firm" which dominated Scottish soccer for so long, have suffered reverses that would have been unthinkable a decade ago.

The perception of Scottish football by those living south of the Border—and whose interest is mainly expressed through pools coupons—has not yet changed to meet the new circumstances.

If a line on Caledonian events is needed for sports summary, the news that Celtic or Rangers both won, lost or drew is the usual angle.

Ten years ago, the Glasgow rivals looked invincible at home. Celtic, captained by Billy McNeill, had been the more successful, with a European Cup win behind them and a final, in 1970, which they really ought to have won.

Rangers had won the Cup-Winners Cup in 1972—an event better remembered for crowd trouble, the last time Scottish supporters were involved in a riot on the Continent.

The two shared the Scottish honours most years, occasionally slipping up enough to allow someone else to win the League Cup, or even the Scottish Cup.

It is difficult to convey the scorn that would have greeted the suggestion that a successful Celtic manager who had been one of the club's most distinguished players would seek his fortune in the English Second Division and that, a few months later, the two favourite candidates for the vacant Rangers manager's office would turn the opportunity down in favour of Aberdeen and Dundee United respectively.

Such things simply did not happen. The managers' jobs at Celtic and Rangers were the top jobs in Scottish football. If either club called you, you went—as recently as 1978, McNeill, himself left Aberdeen, where he had made his mark, to follow Jock Stein at Celtic.

In those long-ago days of the early 1970s, McNeill, the Celtic skipper, and John Greig, his Rangers counterpart, were the giants of the Scottish playing scene. When McNeill, via Clyde and Aberdeen, took over as Celtic manager and Greig stepped straight into the boss's chair at Ibrox at the end of a 20-year playing career with the club, it loked as though the giants would go on dominating the game.

But now the giants have departed, and the Old Firm's dominance of the Scottish game has been broken.

MacNeill went first. To lose a popular manager of proven ability was bad enough. To lose him to lowly Manchester City was worse. And there was much head-shaking over newspaper reports that he was only the fifth or sixth best paid manager in Scotland.

Money was no object when Rangers went on the hunt for a manager to replace Greig, when he finally resigned after one of the worst start to the season in Rangers' history. It was rumoured that annual pay cheques of up £70,000 were being brandished as the Ibrox club went after Scotland's two top managers — Aberdeen's Alex Ferguson and Dundee United's Jim MacLean.

But both managers have teams doing well in Europe, and are in a three-horse race — with Celtic—for the league title. Ferguson, the favourite for the job, pointedly accepted a five-year, £250,000 contract from Aberdeen before the offer was made, and MacLean turned the job down just as publicly.

Tannadice and Pittodrie must certainly be happier places to work these days than Ibrox. Rangers are lying near the bottom of the Premier League and are out of European competition. For a club which used to win something every season, they are going through a pretty bleak spell.

Jock Wallace, Greig's predecessor, who has returned to Ibrox, was probably the fans' favourite. They remember the two trebles Rangers won under his leadership in the 1970s. The support and resources necessary for success are available to Wallace to make his name a second time.

His reasons for leaving Rangers in 1978 have never been made clear, but it was always said that there were conflicts with the board — or individual members of it.

Wallace's return may be eased by the fact that two directors are due for retirement. The combination of Rangers' troubles and the changes at the top may enable Wallace to perform a great service to the city of Glasgow.

Any Rangers revival will have to be spectacular indeed if it is to haul the team up into contention for the League title, which Celtic, Aberdeen, and Dundee United are likely to fight out between them.

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday December 10 1983

# Allied, but an ocean apart

THESE ARE stormy days in the Atlantic. Wherever you look—defence and disarmament, fiscal and monetary policy, taxation, trade, farm policy or the Middle East—there are now sharp disagreements between the Americans and their allies on this side of the Atlantic.

There is no sign, either, that these difficulties are likely to be tackled in the immediate future. The U.S. is already in the throes of an election campaign which will not be settled for another 12 months and will show a tender care for every domestic lobby in the interval. However, even a re-elected Administration, or a new one, would find the problems obstinate, for our underlying interests are increasingly divergent.

## Slow recovery

Europe, to start with, has some pressing internal problems, as became obvious in Athens last week. The give and take of international agreement, as of any other kind of compromise, is much easier to achieve when there is something to give. Europe is achieving a dismally slow recovery from the world recession, and the economic officials of the EEC foresee little improvement next year. Britain, for a change, is doing considerably better than her partners, but the EEC's troubles may prove a threat to our own continued recovery. More than half our exports go to Europe, and it is hard to see how the Chancellor's hopes of 4 per cent export growth in 1984 can be fulfilled if the Continental economies remain stagnant.

In these circumstances there is nothing to give away to outsiders, so that the Americans went to Brussels to complain, as usual, about European farm policies with no expectation of progress. The Europeans can unite only in opposing American demands — even though to yield to them would be quite helpful for Britain and Germany.

The Americans, for their part, are equally unwilling to listen to European complaints about high interest rates. Again, their own long-term interest seem to march with ours, but for the moment low taxes buy votes, interest rates can be blamed on the markets, and the fact that debt problems are causing critical difficulties for Europe's Third World customers is a very secondary consideration. The U.S. confines itself to mending fences in Latin America, even if Mrs Thatcher is offended as a result.

## Haunted by idea

This list of divergent interests, which could easily be extended, is something new in post-war history; for until quite recently it was simply taken for granted that all of us round the Atlantic were in the same economic boat. Indeed, the ghost of that idea still haunts our policy-makers, who blame our recession on the U.S. recession, but fall strangely quiet when a strong U.S. recovery raises only the faintest of echoes on this side of the water. The fact which has been largely overlooked, because it has crept up on us, is that this whole pattern of interdependence is largely a thing of the past.

As the Atlantic has been getting economically wider, the Pacific has been getting very much narrower. During the last decade well over 80 per cent of the whole growth of U.S. imports has come from the Pacific basin rather than from this part of the world. To offer a caricature, Europe still has the remains of a colonial pattern of trade, swapping capital equipment and relatively unsophisticated "trade goods" for raw material imports. The Asian economies have been based far more on sophisticated consumer goods for domestic and developed markets. We face major structural problems, as some European forecasters have begun gloomily to acknowledge. Britain, where the traditional industries have run down further, and some of the newest — notably electronics — are growing faster, is structurally tending to draw ahead in this Europea neffort.

## Sharp reminder

Structural change is an unrewarding process while it is going on, as we in Britain know only too well, so Europe is hungry for markets. This helps to explain the continuing strains, for example, over "strategic" exports; the Germans, especially, are bitterly aware that the Communist block is still hungry for the goods they find hard to sell elsewhere, and the French, too, can still sell a motor industry to the Russians. It emerges in arguments over international credits, with the Americans urging Europe to be more generous to Brazil and other Latin American borrowers, while we reproach them for over-conservative policies toward the World Bank and IDA, sources of funds for African and other ex-colonies.

The recent cooling of the old special relationship between Britain and the U.S. is only a small incident in this general drifting apart, but it may prove quite a healthy one; for it is a sharp reminder, as the Prime Minister has recognised, that our future is bound up with that of Europe, whether we squabble or agree. There is an investment lesson in all this which may have to be learned painfully: it is no longer logical for our markets to take their tone from Wall Street.

# High risks on every side

By Philip Bassett, David Goodhart and John Lloyd

THE leadership of the National Graphical Association meets today in a head office in Bedford already largely stripped of equipment to keep it out of the hands of the sequestrators. Their stark surroundings will tend to confirm what these men know already—that the most likely direction for the union to go is down.

Mr Justice Eastham's judgement in Manchester yesterday means the sequestrators will now deduct a further £500,000 from the funds they wholly control, to add to the £175,000 already recovered.

Any broadening of the action, or a resumption of mass picketing, or both, means bankruptcy, either fast or very fast. The inexorable logic of the courts means that the NGA must purge their present contempt of injunctions against their so-far unsuccessful blockade of the Warrington printing plant where Mr Eddie Shah prints his Stockport Messenger freesheet.

Yet at what stage will this purging take place, and what will force the NGA to do it? Even more importantly, what state will the NGA—and the union movement—be in when that happens?

For the union movement as a whole, the decisions that now have to be taken are among the most difficult of the past five years. When the TUC's employment policy and organisation committee meets on Monday night in its second special session in three weeks, it will have either to increase support or draw back—most of the pointers from senior TUC figures this week have suggested the latter course.

The options open to the NGA are relatively few. From capitulation to defiance, hardly any are attractive—and all are high risk. Current court fines, taken with the potential damages from the Fleet Street employers' forthcoming court action for losses, mean that about a third of the NGA's total original funds of £11m are already encircled. Continuing defiance and spiralling fines will lead to financial ruin.

Nor would that be an end of it. Bankruptcy of the union would still leave the NGA in contempt of court. The only option left open to the law then is imprisonment. It remains an open question whether the reverse in trade union power brought about by the recession has gone so far that the union movement would fail to rise up in protest as the prison doors closed.

Whether it pursues further industrial action or not the union is well equipped organisationally to face a long war of attrition with the courts. It is disciplined and closely knit, and although lack of banking facilities and only a skeletal national organisation would cause problems, the union would not disappear.

The Manchester Graphical Association yesterday won its case in the court proving its independence from the national body.

It was thus able to have its funds unfrozen and to operate once more, and a number of other branches are likely to follow suit. The union could in effect return to its structure of 150 years ago, when it was simply a collection of local societies with no effectual national organisation.

The union's leaders are now considering widespread industrial action more seriously than they have to date. Two weeks ago at the last special national council meeting a national strike was discussed but at that stage had very few supporters.

Mr Eddie Shah, against a backgfround of pickets at Warrington

## Picketing could re-start with a vengeance

Yet, despite the fighting talk the national council is unlikely today to charge into a national strike. Sections of the traditionally moderate membership might not support such action for very long despite the union's renowned discipline. It is close to Christmas—never a good time for a strike—and there would be no strike pay. The union usually pays one-third of basic pay to striking members, which is usually supplemented by various levies.

One senior national official said yesterday: "The idea of an all-out national strike before Christmas without strike pay is a bit too much to swallow."

However, it would equally not be in the union's nature to do nothing—and the resentment created by sequestration is certainly fertile ground for activating the members.

The national council may try to buy some more time by calling a special delegate conference for the end of next week or even the following week. However, the cost of transporting 500 delegates to the conference venue may—post-sequestration—prove prohibitive.

It is more likely that selective action will start in certain sectors next week. Fleet Street is likely to lead the way again but there might also be one or two-day strikes or some form of "guerrilla" action in the provincial press and the general printing industry.

In addition picketing in Warrington could restart with a vengeance next week although there was speculation last night that some members consider fresh picketing to be pointless. About 10,000 are, however, expected at the rally next Wednesday in the town.

There is little logic in widespread industrial action—it will certainly not move Mr Shah and it will more than likely produce a new shower of writs, injunctions and lock-outs.

Mr Norman Walker, head of industrial relations at the Newspaper Society, the organisation which represents provincial newspaper employers, said: "Several of our members would clearly consider going to the courts in the event of industrial action."

The NS employs about 11,000 NGA members who earn on average £194 a week before tax (on Fleet Street salaries are, on average, considerably higher). The last national strike by NGA members in the provincial press was in 1980. It lasted two weeks—with a few previous weeks of non-strike action — and was generally regarded as a victory for the union when it won the 37½-hour week.

However, worryingly for the union about 25 groups—producing a total of about 80 titles—published during the dispute. That number would probably be much larger now and a number of groups like the Wolverhampton Express and Star and Portsmouth and Sunderland Newspapers might take the opportunity of a strike to lock-out NGA members and go for direct-input.

Strikes against provincial employers would draw legal action from them under the 1980 Employment Act, heading again down the now familiar path of defiance and increasingly heavy fines. The NGA's finances, already bleeding badly from the Warrington wound, would be punctured from all over the country.

The only other option is a deal with Mr Shah. The union has already conceded a lot in its own terms by agreeing to a post-entry closed shop and there was a moment in the negotiations last Wednesday when the NGA started asking serious questions about what Mr Shah was offering short of any closed shop.

It is certain that Mr Shah will not be prepared to concede the closed shop, but he has all along offered recognition for anyone that wants to join the union and has now said that collective bargaining would be acceptable if the union had 50 per cent membership.

Such a deal—which could perhaps come out of a committee of inquiry—would be a defeat for the union but one that it could dress up as short of a humiliation. It could take comfort from the fact that future small employers might well think hard before facing what Mr Shah has faced over the last few weeks.

The union might opt for a slow defeat "on the streets" similar to the case of the non-union Nottingham Evening Post where after a few weeks the mass picketing disappeared.

Further action even on Fleet Street would almost certainly not change Mr Shah's mind now. Despite earlier waverings he is now firmly dug in. He has enough newsprint to last eight months and in the unlikely event of other supplies being cut off has a spare generator, and other equipment.

Agreement on the reinstatement of the so-called "Stockport Six"—those still sacked over the original closed shop dispute—is possible, even now, almost any time. Full reinstatement it would not be, but the NGA might be able to claim as a partial victory the six being set up in a hived-off co-operative, working on contract to the Messenger, such as has been proposed by Mr Shah. His asking price of £40,000 is cheap in comparison with the fines already drawn from the NGA's funds.

## Uncertainties about the fallout from Warrington

It would be little more than a curtain to hide the union's likely defeat over recognition at the Messenger, though: the NGA could call off the action after getting an agreement over the Six, saying at the same time that the union still remained in dispute with Mr Shah over recognition.

All this would be in reality is an acceptance that the recognition issue would drift away, and that the Messenger—like the Nottingham Evening Post before it—would become a "non-NGA house".

The major factor capable of influencing the chain of events above is action by the TUC. It is certain that the TUC, in the person of Mr Len Murray, its general secretary, will act; but how? And with what effect?

Like the NGA, the TUC has two stark options—to support the union, or to attempt to force it to settle.

The left on the General Council will prefer the first of these. They will argue, as they have already, that the NGA is taking on the chin the full force of the Government's employment legislation and that the union movement must stand with them. Some—like Mr Moss Evans, the Transport and General Workers' general secretary—have said that support can and should now be mobilised, up to and including a general strike.

This argument will not be confined to the left. Centre and right-wing TUC figures yesterday expressed shock over the size of the fine, and naturally related it to their own union: at least part of their instinct is to make the NGA's struggle their own.

But all, left and right, will also reflect on this: how much real support can they deliver to a well-paid craft union engaged in a struggle over a closed shop in a small plant in Warrington two weeks before Christmas? Mr Evans is right to see a general strike as the logical consequence of full-throated support. But his own officials do not believe they could persuade TGWU members to do anything like that.

The alternative is pulling the NGA back: and Mr Murray, the man from whom the lead must and will come, has certain weapons at his disposal.

This weekend, the Council members are confused and uncertain: they feel the sentiment, they fear its consequences: most of them look to Len Murray for a lead (even if some will denounce it when it comes). Mr Murray's concern so far has been to keep the TUC within the law to protect the interests of the wider movement as he and the General Council see it. He is unlikely to change his views.

If the union does not, then the TUC will essentially wash its hands of it. This would cause immense internal strains, even to the point of splits on the Council being canvassed and threatened. The acid test, however, would be (as always) delivery—and if the left wingers in the council cannot deliver support for the NGA, they will in the end have to toe the line.

Even now, as the NGA, the union movement and the country face the uncertainties of what the fallout of Warrington will be, it is apparent that the ground has shifted this last decade—that industrial power harnessed to the political end of rendering legislation unworkable is not, for the present, on the cards. The succeeding days and weeks will show how long it takes for that bitter pill to be swallowed.

# Letters to the Editor

## Cash

*From Miss B. North*

Sir,—David Cormack (December 3) is making rather heavy weather of the cash-versus-cheque question with regard to low-paid workers. This particular point has a very simple solution, which some of the employment agencies have been using for their temporary staff for a long time.

Staff are given open cheques, which they can cash immediately at a bank near the office where they pick up their cheques, with which the agency has an arrangement. The agency pays the bank charges. It might be preferable in the case of larger organisations for Giro cheques to be issued which would be payable at any Post Office. This would prevent congestion and delay at any branch of a clearing bank. Nevertheless, I feel sure that a company could have an arrangement with a clearer, perhaps for a flat annual fee, for any cheques drawn on its wages account kept with that bank, to be cashed at any branch.

Either of these would be an admirable solution and would at least mean that no one else gets mugged in collecting wages for the ultimate recipient, and it is most unlikely that it would be more expensive for the company.

(Miss) B. E. North.
*21, Trinity Church Square, SE1.*

## Reformers

*From the Chairman, National Association of Conveyancers*

Sir,—Clearly Austin Mitchell's House Buyers Bill has provoked a flurry of commentary, criticism and commendation, in the wake of which I see two glaring anomalies.

One is repeated reference to solicitors' conveyancing monopoly where none, in fact, exists. Their claim in this respect was thwarted seven years ago by my High Court victory over the Law Society leaving the illusion of a monopoly that hinges upon s.22 Solicitors Act 1974. This permits only a solicitor, notary public or barrister to draft the "instrument of transfer" for "fee, gain or reward," and it is this final obstacle which the Bill is intended to remove—at least so far as registered land is concerned.

The second peculiarity lies in the fact that, amidst the plethora of arguments being expounded on all sides, there is one viewpoint which is notable by its absence. That is the opinion of the people at the centre of the controversy—conveyancers themselves. Against a backcloth of implications that an enactment of the Bill would have the magical effect of allowing conveyancing to be practised outside solicitors' offices for the first time, it needs to be stressed that several independent conveyancers have in fact built up successful practices over the past 15 years, despite immense opposition from the Law Society, and frequently from related institutions.

I believe it is largely through lack of consultation with such specialists that the Bill's more serious anomalies have occurred, such as the artificial distinction between registered and unregistered land conveyancing and the imposition of a two-tier class of licensed conveyancer. Such confusion would place an unacceptable burden on the homebuyer, who would in effect have to investigate both the nature of the title and the practitioner prior to every transaction.

While the general intention of the Bill is patently laudable, I suspect it has been drafted by well-meaning but naïve reformers keen to grasp the nettle of continuous public frustration with an archaic conveyancing system. Undoubtedly consumers' exasperation with delays, inefficiency and excessive fee charging would be cured to a considerable extent by healthy competition, but without an intimate knowledge of the handling of that system in its present unreformed state I fear that mere tinkering with it may do more harm than good.

At best the Bill could serve as a catalyst to arouse a sense of urgency for fundamental reform, and already the Government is taking note of the highly controversial issue which conveyancing represents. At worst I fear it will be seen as a measure worthy of dissecting to death in committee stages, much to the delight of reactionary elements among solicitors. What is really needed is legislation that will in effect endorse the achievements of experienced conveyancers to date and result in a lasting benefit to the long-suffering consumer.

David Ashford.
*2-4 Chichester Rents, Chancery Lane, WC2.*

## Advertising

*From the Chairman, British Legal Association*

Sir,—Mr Philip J. Circus of the Institute of Practitioners in Advertising (November 28) refers to "the total market for professional services" which he claims will be increased if, for example, solicitors are allowed to advertise. We know from the institute's previous statements that, by advertising he means personal advertising by the individual solicitor. In fact, the only beneficiaries of such advertising would be the members of his institute who would profit from the increase in business thereby generated.

If, however, Mr Circus is prepared to limit his advocacy of advertising to corporate advertising by the professions, then I would support what he says. Indeed, I have said often in the past that the Law Society, on behalf of solicitors, should cause to be displayed in post offices, health centres, police stations, council offices, public libraries, and elsewhere posters giving the names, addresses and telephone numbers of all solicitors in a particular town/area indicating, by reference to a key or otherwise, the fields of work which they are prepared to undertake and explaining the availability of legal aid and advice so as to make more evident to the public at large how readily such help can be obtained.

Such is the humbugging nature of politics that I am told than when posters (not as above described, but simply explaining legal aid in general terms) were exhibited in post offices, they produced such an upsurge in applications for legal aid that the Government of the day ordered them to be withdrawn. If Mr Circus will apply himself to ensuring that corporate advertising of the services of solicitors is a success, then I am happy to make common cause with him. Individual solicitor advertising is neither necessary nor desirable in the public interest.

Stanley Best.
*116, London Road, Southborough, Tunbridge Wells, Kent.*

## Shares

*From Mr S. Collins*

Sir,—Bitter experience tells us that British Airways is unlikely ever to repay its debt. What taxpayers have a right to ask, however, is that they should never again be called upon to bail the company out. This means that BA must substantially raise, and thereafter maintain, its profits. Achieving this will require, on the part of all the management and staff, a greatly increased awareness of, and dedication to, the need to improve profitability.

Human nature being what it is, exhortations to improve efficiency tend to fall on deaf ears unless those concerned receive—and know in advance that they are going to receive—a slice of the resulting increase in profit.

All employees have their part to play in this, not just those "whose actions directly and immediately affect the operating results." There is nevertheless a case for additional results-based incentives for such employees, though the definitive identification of those falling within the category is, in the real world, fraught with difficulty.

As a taxpayer, I share Mr O'Regan's chagrin (November 14) at the extent of BA's indebtedness. Unlike him, however, I believe that a well presented, across the board profit sharing scheme, preferably involving shares after privatisation, will prove to be a vital plank in BA's strategy to improve and maintain its profitability. The modest proportion of British Airways profits represented by the proposed profit share could well turn out to be the best investment they have ever made.

S. P. G. Collins.
*Granlund, Deynes Road, Debden, Saffron Walden, Essex.*

## Pensions

*From the Chairman, Gardner Watts Group*

Sir, — I have been reading, with dismay, the nonsense regarding early leavers' pensions which clutters your pages.

The inevitable brainlessness of political reaction to what once were simple questions encourages my brief excursion into the realms of futility. I'll be brief:

Companies provide benefits for their staff, not for ex-staff. In so doing, they produce a potential obligation. The potential for obligation thus ends at the leaving, as indeed it should. Corporate contributions to pensions are designed to pay benefits to those who retire as employees, not for those who leave early. The allocation of corporate funds held in trust for employees to individuals by name — as a "right" is simply a recent development based on political humbug. Pension contributions by a company are not and never have been deferred pay in the eyes of employers.

Dear, oh dear, what a terrible person I am. Only wanting to provide benefits for those people who work for me. Such an attitude might tie employees to the company in the long term, when we all know that they should be free to leave us whenever they want to, and it is only the employer who should be tied, now, apparently, to those who have long gone.

Any legislation in the direction proposed will kill corporate pension schemes for all time. This will be to the total detriment of all.

Don't worry, we nasty directors only provide the employment after all, and can't possibly know anything about it, can we?

P. D. Watts.
*36 Regent Street, Cambridge*

## Marriage

*From Mr H. Harrison*

Sir,—Mr R. Rosser (December 3) states that I have overlooked a surprising anomaly in the implementation of capital gains tax. This is that two people living together "in sin" are each given an annual capital gain tax-free allowance of £5,300, i.e., a total of £10,600. I would draw Mr Rosser's attention to the fact that I have certainly not overlooked this anomaly since this matter has been drawn to the attention of readers on numerous occasions and is only too well known by taxation experts and others. It is an injustice as Mr Rosser so rightly states and in order to alleviate somewhat the tax disadvantages of living in wedlock we have the "wife's earnings election" but only in respect of earnings—not in respect of unearned income.

We all know that this election is not enough and that something more should be done for married couples. In fact, quite recently, someone who is living "in sin" asked me "would we be better off married in so far as tax is concerned?"

H. Norman Harrison.
*Newby House, Southgate Circus, N14.*

هكذا من الأصل

# Of green pounds and 'golden hoof-shakes'

DRIVING down the Roman road bisecting his 1,250 acres of farmland, George Carter points at the green field on the right. "That's winter wheat. Drilled in October. I don't think you would have seen that before we joined the Common Market. But they pay for quantity. One must have quantity to survive. So we maximise production of something that is in gross oversupply throughout the Western world."

Further down the road we came to the grain dryer. George assures me that it is packed to bursting with 1,100 tons of wheat. There is further storage space, owned by a local farmers' co-operative. Last year it received a grant from the EEC of almost £400,000, just to finance additional storage capacity for surplus grain. That sum is about the value of George's total annual turnover.

About half of that turnover was realised by the sale of wheat, barley and a recent diversification, 40 tons of peas. George is worried that farmers have had too much of a good thing with cereal produce: "There has been overproduction at a price that is clearly too high. I really do fear that some sort of quota system will have to be introduced. Those peas are my hedge against that possibility."

The rest of George's turnover is attributable to the remarkable digestive systems of 180 cows, 80 more than George owned when he took over the farm 30 years ago, fresh from agricultural college. The farm also has 40 calves "and two cows in the deep freeze."

The CAP subsidy for dairy products may have fallen recently, but George readily agrees that this is another area where overproduction is acute and quotas—a revolutionary step—will have to be introduced.

The thinkers behind the implementation of the CAP have already tried to stem the flood of milk from Europe's farmers. Up to March last year, they were offering dairy farmers about £100 a head for cattle slaughtered and not replaced. According to George the "golden hoof-shake" had its attractions for many local farmers, but he felt that school fees were better financed by the steady yield of his herd.

As George speaks, his herd are assiduously eating their way through more than 200,000 cu ft of silage. The smell is distinctive, says George. One cow, called Apple, looks round at the intruders. It is the remaining member of the herd of 151 which was slaughtered last year. As the rain sweeps steadily over the Hampshire countryside, Apple seems pleased that the modern cow spends its life indoors. You cannot maximise cereal production with 720 hooves chewing up the acres.

It feels a long way from Athens, agrees George. "I've no idea of the way they arrive at their pricing policy. All these green pounds seem like an accounting trick. But it's very difficult to see how they can possibly satisfy the demands that are being put to them."

But George is not convinced that life without the CAP would be unrecognisable from what it is now. He believes that in this country farmers have always been a political pawn.

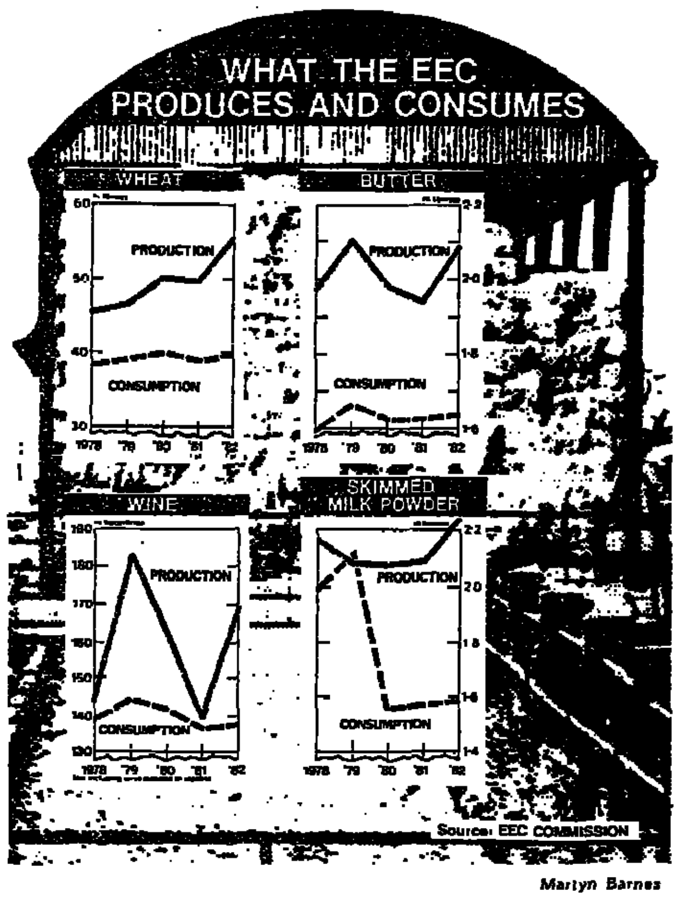
"Before the CAP British politicians were just as good at distorting prices. They wanted the cheap breakfast table, but they also wanted us to increase production. So under the deficiency subsidy, they paid us the difference between agreed price, and the price we could sell our produce. Townspeople said then that we were being featherbedded by subsidies. But it was as much a subsidy for politicians," he claims.

George points out, all the buildings on his farm, and machinery too, had been funded with the aid of grants of 30-40 per cent from the Ministry of Agriculture. That would not happen now, since the CAP pricing structure is designed to take account of the need for capital investment. That leaves George worried about how he is to pay for a new combine harvester which would cost about £50,000. However, such a bill could be set off 100 per cent against tax.

In another way it is the British Government, not the EEC which gives George his greatest comfort. When he passes on his 1,250 acres, worth £2.5m at current values, to his son, his capital transfer tax bill will be 45 per cent less than it would be on an urban property of the same value.

After 10 years of the CAP, George, who voted in favour of going into the Common Market in 1973, feels that Britain would probably be better off outside the CAP. He points out: "As a farmer I benefit from it. As a tax payer I certainly do not."

**Dominic Lawson**




Martyn Barnes

## THE FRENCHMAN 'CONDEMNED TO PRODUCE MORE MILK'

M FRANCOIS MARIE was milking his 70 cows with the help of his wife on Thursday evening in the hamlet of Saint-Symphurien des Buttes in Normandy. He was somewhat distracted in his task, which invariably takes place every day at 7.00 am and 6.00 pm, because one of his black and white cows was giving birth to a calf.

Although M Marie probably does not realise it, he is one of the reasons why the European Community is in trouble and suffers from a milk problem. Each time M Marie milks his cows, he is, figuratively speaking, milking the Community as well.

M Marie is not the traditional Normandy farmer. He is 27 years old in an area where the average age of dairy farmers is between 50 and 52. He is among the 15 per cent of local farmers who are conversant with modern farming techniques. He has just invested FFr 700,000, most of it advanced by the Credit Agricole, in a new stable with the latest mechanical milking equipment.

His 70 cows each yield an average of 6,200 litres of milk a year. This is regarded as more than acceptable by most farming standards. He is way above the local average of 3,500 litres per cow a year.

In spite of the general surplus of milk in the EEC, M Marie says he must continue increasing the productivity of his cows to remain economically viable. "My costs increase faster than my revenues," he says. "If I want to maintain my income constant next year, I will have to increase the average yield of my cows from 6,200 litres to 6,400 litres. If my cows go below 5,500 litres, I'm in trouble," he explains.

Moreover, as a result of the abundance of milk in the market, the local cooperative, the Union Laitère Normande (ULN), pays M Marie for his milk only marginally more than the Brussels intervention price. This puts additional pressure on M Marie to intensify output to compensate for what he regards as a less than generous price.

It also explains why he takes part, as he puts it, in the regular demonstrations before the annual EEC agricultural price fixing marathons.

M Marie is not opposed in principle to the idea of imposing quotas on European milk production, although he does not like them. He argues, however, that quotas would only be acceptable if they were accompanied with measures that would guarantee his return. "I'm quite prepared to reduce my production as long as I am able to maintain and eventually increase my income," he says.

"The Dutch and the West Germans have stronger currencies and they therefore have a competitive advantage on us because they can buy their feedstuffs for less than us," he argues. "They also enjoy the MCAs (monetary compensatory amounts), which we want removed. I simply say that in a common market every farmer should be on the same competitive footing."

"La Dame de Fer," as he refers to Mrs Thatcher, is unreasonable and not Community minded. "One of our nearest markets is across the Channel. But we can't sell any of our milk there."

One of the ULN's lorries has been blocked in Newhaven since Monday. "They are now claiming that our milk contains water. It's utter rubbish and just another protectionist device," said an official of M. Marie's co-operative yesterday.

M Marie does not see why Britain cannot import some milk from Normandy when it continues to buy butter from New Zealand.

In spite of his grumblings, M Marie seems to make a modest but reasonable living. He employs a part-time worker because "I don't want the job to become a prison sentence." If he makes enough money, he would eventually like to have a full-time worker. However, to maintain his standard of living he is condemned for the time being at least, to continue to produce more milk.

"This situation can't last eternally," he acknowledges. "Someone will have to give and make concessions."

**Paul Betts**

# The challenge from St Michael

By Alan Pike

WHICH British chain store is this Christmas publishing 150 books, each with a print run of around 100,000?

The answer is Marks & Spencer which, along with several other retailers, is spearheading what may turn out to be one of the most far reaching upheavals Britain's august and old-established publishing industry has known.

For years Britain's publishers and booksellers have dominated the book market. Discount bookshops, of the kind to be found increasingly in the United States, have not been allowed by the industry and there is scarcely any price cutting on new books, which are still covered by retail price maintenance.

All that could now be about to change as the mass retailers set themselves up as publishers in their own right. Economics of scale encourage very competitive pricing: Marks & Spencer's most popular book, Cakes Pastries and Bread, sells for only £1.25 but its greatest money earner is the £3.99 St Michael Road Atlas of Great Britain.

J. Sainsbury also publish a range of own-brand books, while W. H. Smith is using them partly as a way of enticing customers into its stores in the hope that they will buy other, more expensively priced titles. This Christmas it has run a series of advertisements to underline its pre-eminence in the total book market. According to the Euromonitor research organisation, Smiths alone have 20 per cent of Britain's £610m-a-year book market; bookshops together now have only 35 per cent.

"Books are frequently an impulse buy and must be easily accessible," says Mr Desmond Clarke, who runs the Publishers Association's Book Marketing Council. "Own-branding in major stores gives them a high profile. It is an important trend because it is getting books before a wider market."

Mr George Rainbird was one of the first people to recognise the potential of own-brand publishing. His first venture into own-brand—the Shell Guide to Ireland—appeared in 1958.

He has now retired but the Rainbird Publishing Group, today part of the International Thomson Organisation, still handles own-brand books. It is responsible for The Royal Year, which promises to be one of the really big sellers on Marks & Spencer's shelves this Christmas. "Own-brand publishing opens up new marketing opportunities and offers a very quick sales throughput—but it does mean you have to be able to produce a best-seller every time," says Valarie Ruben, the company's present managing director.

Marks & Spencer entered own-brand publishing under its famous St Michael label with seven general interest titles in 1975, and added cookery books and a small range of children's volumes the following year. This Christmas it has 150 titles on sale, including £3.99 packages combining books and cassettes in the children's story and physical fitness areas. To complement its staple range of books on subjects like cookery, gardening and homecare it has this year introduced, again at £3.99, expensive-looking collections of both classic and modern fiction.


Marks & Spencer's move into own-brand book sales—it won't give precise print runs for any of its books—is closely tied up with the development of the successful Octopus Publishing Group. Founded in 1971 by Paul Hamlyn, Octopus's shares were heavily oversubscribed when the company was publicly floated earlier this year.

Octopus has developed exclusive publishing programmes with chains like Sainsbury in the UK and K Mart in the U.S. and Australia, as well as with leading North American booksellers.

Close involvement with Marks & Spencer on own-brand books was followed by the development of stationery products for the company's stores—last year book and stationery sales to Marks & Spencer accounted for nearly a quarter of the Octopus group's £30.7m turnover. Next year will see the first titles from a new venture—Conran Octopus, which will market consumer books via Habitat Mothercare.

W. H. Smith has a different emphasis. "Exclusive books have a specific marketing purpose—they act as a magnet to our book departments," says Michael Pountney, the company's book merchandising controller. "But we would certainly not want to become a predominantly own-brand bookshop."

If own-brand books truly appeal to a new, different market they should not be a threat to traditional bookshops. Indeed, the near-simultaneous launch of new titles in own-brand and more expensive conventional form is almost certainly not far away. But some booksellers fear that if own-brand retailers increasingly corner the market for big sellers like dictionaries and road atlases, the already weak profitability of traditional bookshops will be even more undermined.

Publishers are, however, determined to find new outlets for their products and the search will not end at Marks and Spencer, Sainsbury and the corner sweetshop. What, for instance, is wrong with bookshops in public libraries? Penguin opened one in the London Borough of Wandsworth's Earlsfield library last month.

Penguin will pay the council either a fixed sum or a percentage of sales, whichever is the greater — a handy bonus when local authority library spending is under pressure. "But this was not the reason for the development," says David Parker, the council's assistant director of recreation. "I believe there will come a time when bookshops will be common in libraries. It is another way of completing the link and making books as completely available as possible."

# Weekend Brief

## Tormentor-in-chief to British Gas Corporation

Graham Hearne, who is about to achieve the distinction of holding the post of chief executive in three different oil companies inside a year, seems to have got himself well and truly cast as tormentor-in-chief to the British Gas Corporation.

Hearne, it was learned yesterday, is to become chief executive of Enterprise Oil, the North Sea rib which was torn by the Government from the side of an unwilling British Gas.

Hearne's present job, as chief executive of Carless, Capel, Leonard, which specialises, among other things, in finding oil in unlikely places like Hampshire, has also brought him into direct confrontation with British Gas over the state company's onshore oil treasures at Wytch Farm.

Hearne is one of the chief negotiators for the Dorset group, which is negotiating to take over British Gas's share of Wytch Farm. It has been a long drawn out business, although even as he left for yet another bargaining round yesterday, Hearne was forecasting a deal "within weeks."

The third company in Mr Hearne's recent past is Tricentrol. He left there in March after two years as chief executive, following internal disagreements.

Before that, Hearne was at Courtaulds for four years as finance director, although opinions differ in the City about the extent to which he can claim credit for the textile company's famous liquidity revival in that period.

"Actually, we're still waiting to see what he can do," said one stockbroker yesterday. "He keeps going into companies and promising great things, but not staying long enough to prove it."

A lawyer by profession, but schooled as a polymath at the Industrial Reorganisation Corporation in the late 1960s, Hearne was already sticking his neck out yesterday on Enterprise Oil's prospects.

"The North Sea is the natural starting point, but over a period there's no reason why we should be restricted to that." North America, he suggests, is one attractive possibility in the medium term.

The other task at Enterprise will be to build up the exploration and development side to take advantage of the tax profile created by the company's gushing production — about 29,000 barrels a day.

Hearne admits, however, that he is no exploration expert himself. Leadership in that department will be supplied by Mr William Bell, the Shell man who recently joined Enterprise as part-time chairman. Mr Bell was in the Middle East, his old Shell stamping ground, yesterday.

"If you show me a piece of seismic, I can't help you," admits Hearne. "I think that we'll complement each other."

## Rome Communist backs haute couture

Before very long a regiment of impeccably dressed women clad in square-shouldered jackets in leather and wool, navy-blue skirts hemmed just below the knee and Gucci bags and shoes—will be hitting the streets of Rome. Each of these distinctively attired ladies, complete with matching cotton gloves and berets, will be wearing the same outfit, resulting in the kind of mass clash which would floor any Sloane Ranger worth her salt.

What then is going on? Is this a new religious sect which believes in identikit *haute couture*? An army of fashion models from Paris trying to drum up business in Italy? The answer is none-of-the-above. The 400 designer-clad ladies constitute Rome's women's police force, all guinea pigs in a Communist-inspired plot to bring style and taste to the streets of the Italian capital.

After years of complaints that their uniforms were uncomfortable, awkward to operate in and well, uh, not very fashionable, Rome's policewomen last week finally saw some action. Dr Ugo Vetere, Rome's Communist mayor, decided to hold a competition for top designers to provide new uniforms which would combine "grace with discipline." And Rome's Police Commissioner, although a member of the Republican Party himself, was assigned the task of selecting from entries by Italy's top five fashion houses.

Dr Mario de Bartolo, the Police Commissioner, with one of the most enjoyable assignments in the world, then set about the serious business of making up his mind. "We wanted sober uniforms, but stylish ones," he recalls. "In the past the policewomen were dressed too much like men."

And so the race was on. Dr de Bartolo's decision, like most hard choices in Italy, aroused controversy. Some policewomen complain that the new outfits, designed by Gucci and Fendi, are no more practical than the old ones. But few of the handcuff-carrying policewomen are moaning.

There are four new outfits in all, one for each season. In addition to the gloves and berets there will be detective-style raincoats with stiff collars. Except for summer wear, the outfits also include red and yellow neckties, slightly masculine perhaps, but at least showing Rome's municipal colours.

But hang on a minute . . . isn't there a contradiction between a Communist-governed city and that most bourgeois of bourgeois decadence, *haute couture*? None whatsoever, replies the Rome Police Commissioner. "This is modern Communism," he points out, adding quite reasonably that "Communists must dress well also."

And so the policewomen of Rome seem destined to become the most stylish in the world. How about that, Scotland Yard?

Dr Christopher de Hamel, of Sotheby's

## The scholar behind the £8m manuscript sale

Dr Christopher de Hamel is one of those unfortunate young men whose dream has come true at the age of 32. As head of Sotheby's manuscripts department he used to sit around with other palaeographers speculating about the whereabouts of the Gospels of Henry the Lion, the greatest "lost" manuscript in their field.

Last year he was approached by an intermediary acting for the owners and this week he watched as Sotheby's sold the Gospels for a record £8.14m to a consortium of German states and bankers who were determined to repatriate the manuscript to its 12th-century place of origin. "This is the most important manuscript we have ever sold," says de Hamel," and since it was the greatest remaining in private hands it is very unlikely that we will ever see anything approaching it again."

But de Hamel has no feeling of anti-climax. He has been fascinated by manuscripts since a 12-year-old schoolboy in Dundenin, New Zealand and has no desire to move from his present job which he has held since he was 24. "I was very interested in medieval history and in New Zealand manuscripts were the only tangible link with that period." Fortunately Dunedin Public Library had probably the best collection in the country, subsequently catalogued and published by de Hamel.

Although he wrote the scholarly catalogue for the Henry the Lion sale the manuscript was so well documented that it held few challenges. His most exciting discovery was earlier this year when he spotted two leaves by the 15th-century French illuminator, Jean Fouquet. Unfortunately it was hard to find anyone to share de Hamel's enthusiasm and when the leaves were auctioned at Sotheby's there were no bidders, despite a modest £3,500 estimate. An earlier find, an unknown collection of Middle English poems of around 1480, picked up on a rubbish dump in Yorkshire fared better, selling for £90,000 in 1979.

De Hamel is dubious about the chances of really remarkable discoveries in his field although he hopes that the publicity about Henry the Lion will attract out of obscurity some of the missing illuminated initials from the Winchester Bible, which were removed around 1900 and are now, in de Hamel's reckoning, the new lost treasure.

For a scholar he has always had an eye for publicity. He has preceded his manuscript sales with plainchant singing taken from the manuscripts up for auction and the pre-sale Henry the Lion party on Monday for the top dealers and collectors in the world was enlivened by a "lion" inviting the guests to take a "Lion Bar," courtesy of confectionery makers Rowntrees, from a commodious trolley. De Hamel got the idea from an American zoo which hearing that Sotheby's was selling Henry the Lion wanted to know why an animal should attract such a high price.

## KGB conditions agents to deceive lie detectors

AT a training school in Poland, KGB agents are being taught to count backward in multiples of seven, clench their toes, bite their tongues and hide drawing pins inside their shoes so that they can thwart the latest screening technique at Britain's top-secret security establishments.

That, at least, was the story being floated in London this week by Professor David Lykken, arch-critic of the lie detector or polygraph which is due to be tested in the security service next month and at the Government Communication Headquarters, the hush-hush signals and electronic intelligence complex at Cheltenham in the spring.

Professor Lykken, of the University of Minnesota, was in town at the invitation of civil service unions already alarmed at the prospect of their members being subjected to what he calls "the plague of polygraphy" or "20th century withcraft."

According to the Lykken thesis, however, "there is no difference between the tremor of guilt and the tremor of fear or indignation." The innocent are as likely to implicate themselves as the guilty are to sabotage the test by mental dissociation.

None of this goes down very well, however, with a small band of businessmen trying to establish commercial polygraph operations in Britain. Their market: companies and organisations which want to be sure of their employees' backgrounds, loyalty and honesty.

Mr Charles Jeffreys, administrator of a training centre at Royston, Hertfordshire, called the National Polygraph College, says that much of the Lykken argument is "complete and utter rubbish."

Contributors:

Ian Hargreaves
Alan Friedman
Antony Thorncroft
David Brindle

# BUILDING SOCIETY RATES

| | Share a/cs % | Sub'pn shares % | Others % | |
|---|---|---|---|---|
| Abbey National | 7.25 | 8.25 | 9.00 | 2-year Bondshare, 90 days' notice and penalty |
| | | | 8.25 | High Option, 90 days' notice. No penalty |
| | | | 8.25 | 7 days' notice. No interest penalty |
| Aid to Thrift | 8.50 | — | — | |
| Alliance | 7.25 | 8.25 | 9.00 | 2 years, 3 months' notice/penalty |
| | | | 8.50 | 28 days' notice. Imm. withdwl., 28 days' penalty |
| | | | 8.25 | 7 days' notice. No interest penalty |
| Anglia | 7.25 | 8.25 | 8.75 | 3-year Bond. No notice. 3 months' penalty |
| | | | 8.50 | Capital Share. No notice. 1 month's penalty |
| Bradford and Bingley | 7.25 | 8.25 | 8.50 | 1 month's notice or on demand |
| | | | 8.25 | 7 days' notice |
| Britannia | 7.25 | 8.25 | 8.25 | 7 days' notice, 8.50 2 months' notice |
| Cardiff | 8.00 | 8.75 | — | |
| | *8.50 | — | — | * Share account balance £10,000 and over |
| Catholic | 7.50 | 8.50 | 8.50 | 6-month deposits. Monthly income |
| Century (Edinburgh) | 7.75 | — | 8.75 | 2/3 years. Details supplied |
| Chelsea | 7.25 | 8.25 | 8.75 | Immed. withdrawal (int. pen.) or 1 mth.'s not. |
| Cheltenham and Gloucester | 7.25 | 8.25 | 8.25 | Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded |
| Citizens Regency | 7.50 | 9.00 | 8.40 | plus account no penalty. Double option 8.50 |
| City of London (The) | 7.50 | 8.25 | 9.00 | 6 months' notice—no penalty |
| Derbyshire | 7.25 | 8.50 | 9.00 | 8.25 1 month's not., 7.75-8.60 3 months' notice |
| Greenwich | 7.25 | 8.50 | 8.50 | (max.) at 28 days' notice/penalty |
| Guardian | 7.50 | — | 8.75 | 3 months, £1,000 minimum |
| Halifax | 7.25 | 8.25 | 8.25 | Xtra Interest, 7 days' notice, no penalty |
| | | | 8.50 | Xtra Interest Plus, 3 months' notice no penalty |
| | | | 9.00 | High Growth Bond, 3 months' notice/penalty |
| Heart of England | 7.25 | 8.50 | 9.00 | 8.25 5-day Notice Account. |
| Hemel Hempstead | 7.25 | 8.50 | 8.75 | 3 years, 8.50 28 days |
| Hendon | 8.25 | — | 8.75 | 3 months |
| Lambeth | 7.50 | 8.75 | 9.10 | 28 days plus loss of interest, 8.25 3 mths. |
| Leamington Spa | 7.35 | — | 8.50 | Top Ten. 8.75 Lion Share |
| Leeds and Holbeck | 7.25 | 9.00 | 9.00 | 2 years with monthly int. 8.50 1 month's pen. |
| Leeds Permanent | 7.25 | 8.25 | 8.50 | Ex. Int. £500 min., 28 days' notice/penalty |
| Leicester | 7.25 | 8.25 | 8.25 | 3 months |
| London and Grosvenor | 7.75 | | 8.25 | High Yield (1 month) |
| London Permanent | 7.75 | — | 8.75 | 1-year term. Imm. wdl. with loss of 1% bonus |
| Midshires | 7.25 | 8.25 | 8.25 | 7 days' notice. £500 minimum |
| Mornington | 8.50 | 8.50 | — | |
| National Counties | 7.25 | 8.55 | 9.10 | 28 days' notice £500 minimum |
| National and Provincial | 7.25 | 8.25 | 8.50 | 1 month's notice plus monthly income |
| Nationwide | 7.25 | 8.25 | 8.75 | Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice |
| Newcastle | 7.25 | 8.50 | 8.75 | 4 years, 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty |
| New Cross | 8.25 | — | 8.25-8.75 | on share accounts, depending on minimum balance over 6 months |
| Northern Rock | 7.25 | 8.50 | 8.25 | 7-Day Moneyspinner, 7 days' not. wdl. no pen. |
| | | | 8.75 | Premium Moneyspinner on demand. 28 days' loss of interest on amount wdn. |
| Norwich | 7.25 | 8.50 | 8.50 | City Account, immed. withdls. with no penalty |
| Paddington | 7.75 | 9.25 | 8.75 | 1 mth.'s not., or 1 mth.'s int. loss on sums wdn. |
| Peckham | 8.00 | — | 8.25 | 1 month, 9.00 3 months' notice (no penalty) |
| Portman | 7.25 | 8.75 | 8.75 | Two months' notice, 8.25 no notice |
| Portsmouth | 7.55 | 9.05 | 9.40 | 5 years, 9.00 6 months, 8.50 1 month |
| Property Owners | 7.75 | 9.00 | 8.75 | 28 days, 8.75 3 months, 8.50 monthly income |
| Scarborough | 7.25 | 8.50 | 8.25 | Money Care and Free Life Insurance |
| Skipton | 7.25 | 8.50 | 8.25 | £1,000-£4,999 Sovereign, no penalties, no notice |
| | | | 8.50 | £5,000+, no penalties, no notice |
| Stroud | 7.25 | 8.50 | 8.85 | 3 months, 8.25 1 month no penalty with notice |
| Sussex County | 7.25 | 9.00 | 8.25 | 7 days' notice, 8.50 Sx. Sh., 7.50 Sh. a/c 2,500+ |
| Sussex Mutual | 7.50 | 9.00 | 8.75 | 1 months notice/immed with 28 days penalty |
| Thrift | 8.15 | — | 10.15 | 5 years' term. Other accounts available |
| Town and Country | 7.25 | 8.25 | 9.00 | 2 yrs. ½-yrly. int. Monthly income wdl. facility |
| | | | 8.50 | 28 days' notice or imm. withdrwl. with penalty |
| Wessex | 8.30 | — | — | |
| Woolwich | 7.25 | 8.25 | 8.25 | 7 days' notice |
| | | | 8.50 | 90 days' notice or on demand (interest pen.) |
| | | | 9.00 | 2-year term, or 90 days' penalty (interest pen.) |
| Yorkshire | 7.25 | 8.25 | 8.50 | Diamond Key, 60 days' penalty or 2 months' notice without penalty |

All these rates are after basic rate tax liability has been settled on behalf of the investor.

# Woodhead halts three year run of losses

A THREE-YEAR run of losses at Jonas Woodhead and Sons, vehicle suspension specialist, has been halted.

Following a cut in the trading deficit in the second half of last year, the company achieved a trading surplus of £645,000 in the six months to September 30 1983—in the comparable period the deficit stood at £1.04m and rose to £1.57m at the year-end.

The order book is similar to the average of recent months, the directors state. Benefits from management action are still coming through and, they add, a profit in the second half is expected which should illustrate a "significant swing" by comparison with last year's result.

Shareholders are still without an interim dividend payment, the last being in respect of the 1980 year—a nominal 0.1p final distribution has been paid over the past three years.

Borrowings have continued to be reduced, reflected in a lower interest charge of £619,000 against £790,000 which resulted in a profit, albeit small, of £26,000 (loss £1.53m) at the taxable level.

Sales for the period were £32.17m, compared with £31.2m for the corresponding period.

There was no tax charge for the period, and with the absence of extraordinary items this time (£1.56m) there was an attributable profit of £26,000 against a £3.48m loss.

**● comment**

A year ago Jonas Woodhead's figures were a mass of red ink, above and below the line, and the shares were only 40 per cent of par value. Yesterday's *announcement of a pre-tax profit* came as no surprise to the market — the share price rose 1p to 25p—but is further proof of the widespread industrial recovery. JW's steel rolling mill, which historically supplies 80 per cent of its output to the rest of the company, is now selling half its products externally. Automotive components manufacture is still finding life rough on the commercial vehicle side, and the upsurge in UK car sales is not necessarily a benefit to the company short term, as its higher margin work is in the replacement field. Despite having cut its workforce by 2,000 to 2,300 since the onset of the recession three years ago, JW remains confident that it still has the capacity to return eventually to the level of profits it achieved at its peak. The chances are that JW will make a decent profit for the year as a whole, since its best months, January to March, are yet to come. So although income gearing is 96 *per cent in this first half, it is* possible that for the first time since 1980, JW will pay out more than a nominal dividend.

## British Building

For the six months ended September 30 1983, turnover of British Building and Engineering Appliances rose from £1.68m to £2.02m and taxable profits advanced to £164,000, against £91,000.

# Lake & Elliot £1.28m in loss and making boardroom changes

BY RAY MAUGHAN

THE DIRECTORS of Lake & Elliot, the engineering and foundries group, yesterday confirmed that they would not oppose significant changes in boardroom structure.

Accordingly, the chairman, Mr Peter Edwards, and Messrs John Gratwick, Tom Bailey and Jack Barr have announced that they will not be standing for re-election at the forthcoming shareholders' meeting.

They are to be replaced by Mr Stephen Finch, as chairman and, for the immediate future, chief executive; Mr Ronald Hooker, Mr David Abell and Mr Paul O'Neill whose appointments will be put forward for confirmation at the *annual meeting*.

The incumbent management explained that in the circumstances it would not be in the best interests of the group's shareholders, employees or customers to enter into any "acrimonious dispute" to oppose these impending changes, lest opposition affects any future recovery. The incoming team have said that they are backed by voting power in excess of 40 per cent of the ordinary capital.

The outgoing directors say that "it is impossible to predict with any degree of confidence how Lake & Elliot will perform during the current year, since the over-riding factor at the present time is the level of order intake." Mr Edwards and his colleagues believe, however, that they *have "laid the foundation* for the group's recovery."

In the year to September the group lost £1.28m against £360,000 before tax but after interest charges of £543,000 (£525,000) and redundancy costs of £403,000 (£160,000). After tax, the group has had to provide for the discontinuation of National Steel Foundries, Lake & Elliot Jacks the Equipment and various other closures which together amount to an aggregate extraordinary debit of £3.64m. There is no dividend for the year.

Before interest payments and other charges, Lake & Elliot lost £736,000 which breaks down as to a £606,000 profit from retained operations and a deficit of £1.34m from businesses which have been closed. Redundancy costs in the ongoing divisions amounted to £240,000.

# Polymark in the red mid-year

A REVERSAL from profits of £304,000 to pre-tax losses of £36,000 is reported by Polymark International for the first half of 1983. This year's result was struck after an exceptional charge of £104,000, being the costs of re-locating the laundry division at Banbury.

Sales dropped from £11.4m to £9.61m, while at the pre-interest level, profits were £236,000 lower at £65,000. These profits were split between:— laundry £248,000 (£9,000 losses); technographics £88,000 (£9,000 losses); Sussex division £115,000 losses (£16,000 profits) and Polymark France £150,000 losses (£306,000 profits).

Tax charge was lower at £103,000 (£167,000) leaving a net deficit of £139,000, against *£137,000 profits before*. There were also minority credits of £15,000 (£15,000 debits) and an extraordinary charge of £98,000 (nil) and loss per 10p share came out at 5.17p (2.25p earnings).

The directors say that while the ongoing recovery of the UK operation is encouraging, it cannot yet compensate for losses being incurred by Polymark France—a significant contributor to group profits in the past—and the company will therefore suffer a significant trading loss in 1983.

In these circumstances, the directors are deferring payment of the dividend on the preferred "A" shares, due on December 31 1983. The last ordinary dividends were in respect of 1980.

Further significant progress was made, with the reorganisation of the UK-based companies during the first half. The relocation of the laundry division at Banbury was completed, while the company is making *good progress in establishing* the Sussex-based factory as the new agricultural division.

**● comment**

It is a melancholy thought that less than three years ago Polymark's shares stood at nearly 140p. With yesterday's 9p slump to 12p—putting market worth at a mere £650,000—only blood sport addicts could bear to be unkind. And indeed, the company has in many ways been unlucky as well as unskilful. The Dreher debacle two years ago was the result of very shady dealing by the German partner, and last year's Belgian disaster was at least partly due to an unexpected hike in VAT. This year's horrors in France are apparently due to active discrimination against foreign suppliers by the French public sector. Polymark is now in effect pulling back to its UK base, and developments in the Sussex-based agricultural machinery *business and in laundry and* technographics seem encouraging. There is, though, the feeling that while to bomb out on two foreign subsidiaries might be a misfortune, to bomb out on three looks like carelessness.

# Triefus hit by reorganisation

THE DRASTIC reorganisation undertaken in the UK by Triefus, which markets, processes and values diamonds, has adversely hit the results for the first half of 1983, but benefits are expected to show through here in significantly better results in 1984.

For the six months ended June 30, turnover fell from £12.2m to £9.8m and the loss shot up from £108,000 to £1.19m. The reorganisation was necessitated, shareholders are reminded, by the continuing unprofitability of the UK manufacturing company. It is now a slimmer, more efficient unit operating from one site rather than two, and benefits are already being felt.

While the overall position for the whole of 1983 is likely to remain unsatisfactory, the directors expect the second six months to show an improvement over the first.

In Australia the recession particularly hit the manufacturing and drilling companies, which between them incurred substantial losses in the period. "Vigorous efforts" are being made to rectify this position.

After tax credit £172,000 (£183,000 charge), minorities £3,000 (£55,000), and net profit on sale of investments £642,000 (£146,000), the attributable loss is reduced to £373,000 (£136,000). For the year 1982 the group incurred a pre-tax loss of £264,000 and paid a dividend of 0.125p net.

The sale of investments and general reduction of overheads (resulting in redundancies) have helped substantially to reduce borrowings in the UK. Further reductions have been made since June 30 and they will ease future burden of interest payments.

"Positive steps" have been taken to place the group on a sound financial footing for the future, and the UK bankers have assured "their active help." The group has "valuable assets" other than diamonds which it is in the process of using as a basis of new financing arrangements on a long-term basis.

## Carr's Milling falls £60,000

As predicted at the halfway stage, full year profits of Carr's Milling Industries failed to reach the previous year's record level of £950,000. Pre-tax figures dropped by £60,000 to £890,000, while sales rose from £39.31m to £44.91m. Current trading is satisfactory.

The final dividend is being raised by 0.25p to 3.75p net for a total payment of 5.5p (5.25p) per 25p share. Earnings per share were up from 15.7p to 17.6p, after tax of £12,000 (£263,000).

Competitive pressures resulted in an unsatisfactory contribution from flour and bakery activities. Animal feeding stuffs did well and agricultural merchanting continued to make excellent progress, the directors state.

# Longton profits unchanged at midway

VIRTUALLY unchanged pre-tax profits were made by Longton Industrial Holdings in the first six months to September 30 1983.

However, the £161,000 surplus, down £2,000 on the comparable period, was struck after a lower interest charge of £406,000 against £481,000. After depreciation, trading profits fell by £77,000 to £567,000 on turnover up at £21.79m against £20.03m.

Longton, which has interests in road transport, storage and distribution, steel stockholding and engineering supplies, made a slow start to the period. But, the directors say that improved trading and profitability experienced since the end of May is continuing at a level above that of the comparable period last year.

Also, the directors are confident that the second half will show a marked improvement over the first. Their confidence stems from benefits arising from last year's rationalisation, the strengthening of management and corrective action taken on all activities.

There is still no interim dividend for shareholders. Last year's final payment was unchanged at 1p net per 25p share with the taxable result showing a loss of £185,000.

Tax for the opening period was lower at £32,000 (£38,000), leaving a net balance of £129,000 (£125,000) equal to earnings per share little changed at 1.2p (1.1p).

## Marling Industries

Following a difficult year, Marling Industries nearly doubled pre-tax profits in the *first six months to September 30* 1983. The surplus of £789,000 compares with £398,000, and was achieved on turnover some £1.43m higher at £12.82m.

Marling, a manufacturer of industrial textiles, suffered a £1m fall in profits to £0.58m in the year to March, but maintained the dividend payout with an unchanged final of 0.61p. Now, the board is bringing dividends nearer in line with prospects and shareholders will receive an increased interim distribution of 0.52p against 0.47p.

The more pleasing profits level reported in August is continuing, say the directors and, in addition, cash flow is stronger.

Tax for the period takes £341,000 (£137,000) leaving a net balance of £448,000 (£261,000), equal to basic earnings per share of 2.95p (1.741p)—on a fully diluted basis earnings were 2.778p.

## John Booth

John Booth & Sons (Bolton), *structural and welding engineer,* made a pre-tax profit of £110,017 in the half year to September 30 1983, as against a £114,613 loss last time. Turnover increased from £3.77m to £5.44m.

The increased level of activity in areas, other than traditional structural steelwork, has made it possible to make some further progress, the directors state, and it is anticipated that this trend should continue to the year end.

While trading conditions generally remain difficult, the first six months has seen the company fully committed, mainly on overseas and offshore related services.

A tax charge of £14,556 this time left a net surplus of £95,461, against a £114,613 loss. There were minority credits of £5,530 (£4,122) and an extraordinary debit of £6,520 last time. Earnings per 25p share were 10.27p (13.36p losses).

## Fairline Boats

Business continued to improve at boat builder, Fairline Boats, in the second six months to September 30, 1983. As a result, full year turnover rose by 30 per cent to £5.2m and the company made a pre-tax profit of £746,415, against a £49,300 loss previously.

The final dividend is doubled to 1p making the total payment 75 per cent higher at 1.75p (1p) net per 10p share. Earnings per share were 4.4p (1.4p deficit) after tax of £91,500 (£71). Last year, there was also an extraordinary credit of £25,358.

On future prospects, Mr Sam Newington, the chairman, says the order book is better than at the same time last year and demand for the larger boats is at present excellent in many markets.

Fairline is introducing two completely new boats at the London, Paris and Dusseldorf Boat Shows in January — the 24 Carrera and the 31 Corniche, both of which it regards as of great importance.

## Servis

In the three months to June 30 1983, Servis Domestic Appliances made a pre-tax profit of £342,000 on turnover of £13.81m.

The next audited accounts of this Centreway Industries subsidiary will be for the nine months to December 30 1983 and, though results for this period are anticipated to be satisfactory, it is not expected profits will exceed £563,000 for the eight months to March 31 1983, which was made on turnover of £39.09m.

Operating profits for the June quarter totalled £475,000, with the pre-tax result being struck after interest of £110,000 and a charge of £21,000 for the amortisation of goodwill. There were extraordinary debits this time of £122,000 relating to the continuing reorganisation of the group.

## Widney passes pref

The directors of general engineer Widney have resolved that dividends be passed on the cumulative preference shares which would normally be paid on December 30.

**BIDS AND DEALS**

# Monopolies granted extension on Trafalgar's bid for P & O

BY RAY MAUGHAN

THE Monopolies Commission has gained an extension of its investigation into the proposed bid by Trafalgar House for Peninsular and Oriental Steam Navigation.

The reference was due to close on December 20 but the Secretary of State for Trade and Industry, Mr Norman Tebbit, has granted the Commission an extension until February 20.

Both sides were preparing for a renewal of the bid battle towards the end of January, allowing time for the Minister's own examination of the Monopolies Commission report. The delay was sufficient to cut P & O's shares by 5p to 243p. This means that, even without revision, Trafalgar's original £290m offer of five of its own shares for every four P & O stock units is still running ahead of the P & O price. At 206p, Trafalgar's unchanged share price would translate to the equivalent of 257½p per P & O stock unit.

Both Mr Jeffrey Sterling and Mr Nigel Broackes, chairmen of P & O and Trafalgar respectively, had been working on the assumption that the Commission would clear the merger proposals and each appeared disappointed by the delay.

For P & O, Mr Sterling said yesterday: "I had hoped that this would be dealt with rapidly and enable us to continue running the business. But," he stressed, "we are perfectly prepared to face any new onslaught now."

*In response to changing* market conditions, Trafalgar is reorganising its divisional structure with effect from January 1 1984. The changes involve the merging of the property and housebuilding divisions and the amalgamation of certain of the group's specialist engineering and civil engineering activities. The UK building division, of which Mr P. R. Howell is chairman, is not affected by this reorganisation.

A new company, Trafalgar House Property, will be the holding company for property and housing operations.

An examination of the bid by building materials group, Hepworth Ceramic for facing brick and aggregates producer Steetley, has also been extended at the request of the Monopolies Commission until February 9. Although, it is now understood that the decision, and the Minister's subsequent comments, could be brought forward again for publication before the end of this month.

It is also likely that the report of the proposed bid by Pleasurama for Trident Television, incorporating the casino interests of Grand Metropolitan, will be announced before Christmas. The Commission's conclusions have been in the Minister's hands since November 19, and a decision is expected shortly.

# Caparo sells stake in Dares

BY DAVID DODWELL

MR SWAJ PAUL'S Caparo Properties yesterday sold its 11.2 per cent stake in Dares Estates to two directors in the company. The deal comes just two weeks after British Land acquired a 15 per cent stake in Dares.

Mr James Leek, chief executive at Caparo Properties, said yesterday that Caparo did not *feel that two property companies* could hold major stake in Dares.

Caparo has sold its stake to Mr Peter Jackson, chairman of Dares, and Mr Richard Herbert-Smith, its managing director, at 28.3p a share. Caparo only began buying Dares shares in October, and is expected to earn a £310,000 profit on its transactions.

Dares directors now control over 22 per cent of the company's shares, with British Land holding a further 15 per cent.

The British Land holding arises following the sale to Dares two weeks ago of a £4.35m portfolio of British Land properties. Nine properties were involved, located in London and the South East.

Dares recently revealed pre-tax profits for the six month period to June 30 1983 of £410,000. This compares with £105,000 for the first half of 1982. Turnover in the first half of this year was £3.99m, compared with £970,000 in 1982.

The company said yesterday that the improvement had been due to growth in the business of Dare Developments, and the first full period of trading for Dares Garages, acquired towards the end of 1982. Dares' shares slipped 1p to 23p on news of yesterday's deals.

● Sun Life Assurance revealed yesterday that it had boosted its stake in Caparo Properties to 5.9 per cent. Sun Life was one of the original underwriters of Caparo Properties, with an initial stake of just under 5 per cent.

# Stenhouse shuns £53m bid

Stenhouse Holdings, the Glasgow-based insurance broker, has told its shareholders that they should not accept the £53m offer from the group's Canadian associate Reed Stenhouse.

In a letter to shareholders, Mr Arthur John, the Stenhouse Holdings chairman, says the "current offer is unfair and clearly more beneficial to the Reed Stenhouse shareholders than to you."

The Stenhouse board, other than two executive directors of Reed Stenhouse, have said that shareholders would receive 631,000 less shares in Reed Stenhouse than Stenhouse Holdings has now under the share and cash bid "and virtually give away other assets."

Earnings per share says the board, would fall by 6.5 per cent while Reed Stenhouse's would rise by 11 per cent. Moreover the offer provides "no increase in your income" and the group's assets are worth at least 15 per cent more than the value of the offer.

Shareholders are told that the board has "always been aware that Stenhouse Holdings' 48.5 per cent interest in Reed Stenhouse could command a value in excess of the stock market price from a company wishing to acquire control of Reed Stenhouse. In the interests of share-*holders, we have made a number* of parties aware that we would give serious consideration to an alternative offer."

So far the parties approached are believed to be North American-based.

## Penarvon

Penarvon, a newly formed company, has completed the management buyout, from Associated Newspapers Group, of a controlling interest in the market research group comprising Retail Audits and Associated Research.

Duncan Lawrie acted as financial advisers to both Penarvon and the executive management of Retail Audits and Associated Research, as well as arranging the funds to complete the acquisition.

In the year to September 30, 1983 the two companies made a *profit, before taxation and extra*ordinary items, of £187,000 on sales of £2.2m.

Mr Wright, group managing director of Penarvon, and other executives will own almost 25 per cent of the new group. Associated Newspapers Group will retain a 20 per cent interest.

# De Vere bid uncertain

De Vere Hotels, owner of 14 top-class provincial hotels, the Mirabelle Club in St. James's and the two Overtons fish restaurants, believes that Selfpost has pulled out of a proposed £40m bid for the company.

The group said yesterday that Selfpost, a little-known company headed by Mr Gerald Holland, has not been able to give the required financial assurances, despite a seven day extension of the deadline. Therefore the sale to Selfpost of a 51.4 per cent holding in De Vere by its chairman, Mr Leopold Muller, will not now be going ahead.

It is understood that Selfpost had encountered problems in remitting sufficient funds into the UK to execute the deal. But, the *fact that the De Vere chairman* was willing to sell a controlling interest in the company is expected to stimulate further bid enquiries.

De Vere said yesterday that its trading in the last quarter of the year "has been up to expectations" and anticipated that profits for the full year will "show a substantial increase over 1982." The recommended interim dividend of 3p per share will be paid on January 3 and De Vere expects to recommend a final of 3p per share on the capital enlarged by the one-for-five scrip issue.

## Norton Opax

At an EGM of Norton Opax the resolution approving acquisition of Broadprint and authorising *Norton to allot new shares was* passed.

At an EGM of Broadprint the resolutions to reorganise the share capital and to remove share qualification of a director were passed.

All the conditions of the offers have now been satisfied or waived. The offers are now unconditional in all respects and will remain open until further notice.

## Crouch Group

Crouch Group has reached agreement for the sale to separate purchasers of two of its investments properties, Saxon House, Crawley and Zockoll House, Kingston Upon Thames, for £810,000, payable upon completion.

Although the sale price was £235,000 below the book value, the disposal was made in accordance with the group policy of debt reduction and reflects the presently depressed market for these types of properties.

## Heron U.S. deal

Heron International has acquired a majority stake in Media Home Entertainment, of Los Angeles, for an undisclosed sum.

Media Home produces video cassette tapes of cinema films. Heron chairman, Mr Gerald Ronson, will become chairman of the company.

## Northern Goldsmiths

On December 5 Northern Goldsmiths continued its policy of strengthening the two main trading divisions by making three acquisitions.

Nine licensed betting offices were purchased for a cash consideration of £350,000, which will increase the representation of the company's bookmaking division in North-west England.

The entire share capitals of F Perkins, which runs high class jewellery outlets in Wakefield, Dewsbury and Shipley, and of *Odds Wilson, also* jewellers, were purchased for £100,000 and £15,000 in cash respectively. Both acquisitions enable the jewellery division to be represented in new areas.

No additional head office staff will be required by these acquisitions. The jewellery outlets have been integrated into the group in time to take advantage of the busy pre-Christmas period, and are therefore expected to contribute significantly to profits in the year to February 1984.

## Suter share stake

A holding of 830,000 shares in Suter, the hairdressing, refrigeration and air conditioning group, has been revealed by business interests of Mr Christopher Moran, the Lloyd's insurance broker who was expelled from Lloyd's last year.

The interests also control 105,000 Suter deferred ordinary shares. Together, the holdings amount to 5.06 per cent of the total ordinary and deferred ordinary of Suter—also held is £30,000 of convertible unsecured loan stock 1995-2000.

## SHARE STAKES

I. D. and S. Rivlin—British Car Auction has increased holding from 525,000 to 575,000 shares (14.2 per cent). Hawley Group has increased holding from 500,000 to 550,000 shares (13.5 per cent).

Vinten Group—W. R. Vinten, director, has sold 70,000 ordinary shares at 262p, and now holds 3,730,204 (19.5 per cent).

VW Thermax—Stillsbury (a company controlled by M. Watson-Mitchell) has ceased to be interested in 146,300 ordinary shares. Trentshield (a company controlled byB. Hersh) has ceased to be interested in 170,000 ordinary shares.

Pennine Resources—As a result of recent disposals amounting to 100,000 ordinary shares by a wholly owned subsidiary, TR Energy is now interested in 1.645m ordinary shares (12.65 per cent).

Alpine Soft Drinks—C. Robinson and Co acquired 100,000 ordinary shares bringing holding to 611,500 ordinary shares (5.9 per cent).

Charles Baynes—D. Collingwood-Gittings, director, has disposed of 10,000 ordinary shares. Electra Investment Trust is now interested in 450,000 ordinary (6.27 per cent).

Manchester Ship Canal—A total of 247,500 ordinary shares (6.2 per cent) are registered in the name of Courtaulds CIF Nominees.

*George Spencer—Nottingham* Manufacturing Company is now interested in 1.16m ordinary shares (18.98 per cent) against 22.47 per cent previously.

Peters Stores—Chairman J. P. Gould has sold 150,000 ordinary (4.68 per cent) as part of share exchange agreement with Sun Life Assurance at 83p per share. His beneficial holding is now 32.68 per cent.

Headlam Sims and Coggins—A. H. Coggins, director, has sold 40,000 shares at 37p and now holds 254,606.

## DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|---|
| Braham Miller | int | 0.4 | — | 0.4 | — | 1 |
| Carr's Milling | | 3.75 | Jan 27 | 3.5 | 5.5 | 5.25 |
| Longton Ind | int | Nil | — | Nil | — | 1 |
| Marling Inds | int | 0.52 | Feb 24 | 0.47 | — | 1.08 |
| Middle Wits | int | 40 | Feb 10 | 30 | — | 80 |
| Triefus | int | Nil | — | Nil | — | 0.13 |
| Zandpan | int | 50 | Feb 10 | 50 | — | 78 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

# Results due next week

Two of the UK's milk and dairy producers, Unigate and Northern Foods, report next week. Both have been trying to lessen their reliance on this sector against a background of decreasing consumption and the threat of cheap UHT imports. Both will benefit from last autumn's price increase, while the good summer weather boosted ice cream sales.

Interim figures from Unigate, due on Thursday are difficult to predict accurately, even if analysts concur on profits for the full year of £50m plus. Estimates at the halfway stage vary from £20m to £24m compared with £15.8m. A good first half is expected from UK meat which turned round at the end of the year from losses and from the cyclical Wincanton and Giltspur businesses.

Northern Foods is changing its year end to March so the figures published on Wednesday will be for 12 months to September. Forecasts for the six-month period average around £50m pre-tax compared with £41m. It includes the first full year contribution from Keystone Foods in the U.S. Keystone supplies McDonalds and has had a very buoyant period. In the UK, Pork Farms—a major Marks & Spencer supplier—has done well. The most disappointing business continues to be Bluebird, which is still in the grip of the U.S. hog cycle, though some reduction in losses is expected.

The expectation in the market is that pre-tax profits from GEC for the six months to end September (due on Monday) will show little change from last year's £291m. A couple of leading electricals analysts, though, have nudged their forecasts up to £310m. The tricky bit is not so much the trading performance as investment income on GEC's huge cash pile, and the scale of gilt profits in particular. The cash pile should be larger, if only because of the $175m realised on the Fisher Controls stake in early May, but interest rates will have been lower than in last year's corresponding period. On the trading front, consumer goods are expected to have done well, with sales of white goods still buoyant, but telecommunications and power engineering should have been difficult.

Smith & Nephew is expected to continue its remarkable progress of recent years with its third quarter figures to October, due on Tuesday. Judging by the quarterly figures so far, the company is making excellent headway in reducing working capital, with consequent benefits to the interest charge. The medical side is going well, and plastics and tapes, an awkward area in the past, are still on the road to recovery. U.S. profits should be better, as a result of the heavy capital expenditure recently put into Anchor Continental. The market is looking for pre-tax for the 40 weeks of around £30-£31m, against £23.4m last year.

Having ridden the cider boom for the last couple of years, HP Bulmer is beginning to encounter some hesitation in the market as to how long it can sustain such impressive growth rates. The hot summer was certainly a boost to sales and the recent poor apple harvest should not hit profits as there is plenty of apple concentrate in stock. Interim figures due on Wednesday should be around £9.5m pre-tax compared with £7.44m rising to £18m for the year. The six months to October have seen considerable expenditure on fitting new dispensing units into pubs to expand draught cider sales. A useful contribution will come from the marketing of Perrier and Domecq sherries in the UK.

While the sterling U.S. dollar exchange rate continues to help Distillers exports to the U.S., overseas sales are down overall. Latin America, traditionally a major market, has shown a sharp fall in demand, while other key markets including Australia have been disappointing. The return of Red Label to the UK market is good news, and Distillers' gin sales in the UK are satisfactory. The outgoing chairman warned in his statement that profits could be lower so pre-tax profits of around £71m are expected for the six months to September compared with £79.3m.

BET, the industrial holding company with interests ranging from consumer electronics to transport, reports interim figures to September on Thursday. Scottish & Newcastle is another brewery reporting this week with interims due on Wednesday. Dobson Park Industries has its finals on Monday. Intasun, the travel company publishes interims on Tuesday. Final results come from Westland on Wednesday, and AE and English China Clay on Friday.

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| AE | Thursday | 0.5 | 0.5 | — |
| Associated Paper Industries | Tuesday | 1.0 | 2.8 | — |
| Burns-Anderson | Tuesday | 0.85714 | 2.0 | 1.0 |
| Elson and Robbins | Thursday | — | 0.1 | — |
| Hardys and Hansons | Friday | 4.0 | 9.0 | 4.2 |
| Lee, Arthur | Wednesday | 0.3 | 0.7 | 0.3 |
| Martin the Newsagent | Monday | 2.68 | 5.395 | 2.4 |
| McCorquodale | Tuesday | 3.75 | 5.75 | 3.75 |
| M and G Group | Thursday | 5.0 | 7.5 | 6.3 |
| Northern Foods | Wednesday | 2.0 | 2.75 | 2.25 |
| North Midland Construction | Wednesday | 0.65 | 1.75 | 0.65 |
| Nottingham Brick | Wednesday | 2.0 | 5.7 | 4.0 |
| [illegible] Newsagents | Tuesday | — | 1.75 | 1.1 |
| [illegible] National Glass | Wednesday | — | 3.26 | 2.0 |
| SGB Group | Monday | 2.0 | 2.0 | 0.5 |
| [illegible] and Saxton | Monday | — | — | — |
| Smith and Nephew | Tuesday | — | — | — |
| Stainless Metalcraft | Wednesday | — | — | — |
| [illegible] | Thursday | 0.5 | 1.25 | 0.75 |
| United Scientific Holdings | Thursday | 1.5 | 2.5 | — |
| Westland | Wednesday | 2.75 | 4.75 | 3.0 |
| Whitecroft | Monday | — | 3.1 | 1.4 |
| **INTERIM DIVIDENDS** | | | | |
| Alpine Soft Drinks | Monday | 1.206 | 1.206 | |
| Arlington Motor Holdings | Thursday | 2.2 | 4.0 | |
| Baker Perkins | Monday | 2.1 | 3.0 | |
| Beechwood Group | Tuesday | — | — | |
| British Tin | Wednesday | — | 0.65 | |
| British Electric Traction | Thursday | 1.365 | 3.137 | |
| Bristol Evening Post | Tuesday | 4.0 | 13.0 | |
| British Steam Specialists | Thursday | 2.0 | 7.5 | |
| Bulmer H. P. | Wednesday | 2.8 | 2.74 | |
| Caparo Industries | Tuesday | 2.0 | 3.5 | |
| C.H. Industrials | Thursday | 0.25 | 1.45 | |
| Continuous Stationery | Thursday | 0.45 | 1.7 | |
| Cooper Industries | Thursday | — | 0.5 | |
| Crown House | Monday | 2.25 | 3.5 | |
| Deelkraal Gold Mining Company | Tuesday | — | — | |
| Distillers Company | Thursday | 4.5 | 6.3 | |
| Doornfontein Gold Mining Company | Tuesday | — | — | |
| [illegible] Rubber Estates | Thursday | 1.0 | 2.0 | |
| Downs Surgical | Wednesday | — | 0.5 | |

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| Driefontein Consolidated | Tuesday | — | — | |
| Firth (G. M.) | Tuesday | 1.5 | 1.5 | |
| Framlington Overseas Income and Growth Fund | Thursday | 0.3 | — | |
| Fuller, Smith and Turner | Thursday | 4.0 | 6.0 | |
| General Electric Company | Monday | 1.0 | 2.6 | |
| Greene, King and Sons | Friday | 1.5 | 2.55 | |
| Haslemere Estates | Thursday | 1.3 | 5.0 | |
| Hazlewood Foods | Monday | 4.0 | 5.5 | |
| Imperial Continental Gas Association | Tuesday | 3.0 | 7.6 | |
| Ingram, Harold | Thursday | — | — | |
| Intasun Leisure Group | Tuesday | 2.0 | 2.71429 | |
| Jacksons Bourne End | Wednesday | 2.0 | 5.0 | |
| Kloof Gold Mining | Tuesday | — | — | |
| Leigh Interests | Monday | 0.5 | 0.5 | |
| Libanon Gold Mining | Tuesday | — | — | |
| London and Associated Invest Trust | Wednesday | — | — | |
| London Merchant Securities | Thursday | 0.5 | 1.05 | |
| Meyer International | Tuesday | 1.5 | 2.25 | |
| Modern Engineers of Bristol | Thursday | — | — | |
| [illegible] Investment Trust | Wednesday | 2.75 | 6.65 | |
| Parkfield Foundries | Friday | 0.25 | 0.575 | |
| Paterson Jenks | Thursday | 0.7 | 2.1 | |
| Phoenix Timber | Thursday | — | — | |
| Plessey | Thursday | 0.75 | 1.75 | |
| Premier Consolidated Oilfields | Thursday | — | — | |
| RFD Group | Tuesday | 0.94 | 2.24 | |
| Scottish and Newcastle Breweries | Wednesday | 1.5 | 3.165 | |
| Shaw Carpets | Monday | 0.1 | 1.3 | |
| Stewart and Wight | Thursday | — | 4.0 | |
| Tex Abrasives | Thursday | 0.75 | 2.5 | |
| Thermal Scientific | Wednesday | — | — | |
| [illegible] Group | Wednesday | 1.0 | 1.0 | |
| [illegible] Estates | Thursday | — | — | |
| Triplex Foundries Group | Tuesday | — | 2.5 | |
| Unigate | Thursday | 2.9 | 4.3 | |
| Venterspost Gold Mining | Tuesday | — | — | |
| [illegible] | Friday | 1.75 | 2.675 | |
| Western Motor Holdings | Wednesday | — | — | |
| Wight Collins Rutherford Scott | Tuesday | — | 2.75 | |

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

Lengthy discussions have resulted in exploration equipment and services suppliers Resource Technology making an agreed £5m bid for SPT Group, a specialised communications systems manufacturer for the Ministry of Defence. Resource, currently traded in the Unlisted Securities Market, is applying for a full Stock Exchange listing and the deal will give the company penetration of foreign defence markets.

Southbrook City Holdings, a private company with leisure and film interests, bought Windsor Safari Park and the Watts and Corry television scenery business from Trident Television for £2.27m. Trident is retaining for five years the right to 50 per cent of any realised increase in the value of Windsor Safari Park subject to any change in planning consent.

British Car Auctions' U.S. subsidiary agreed to acquire Golden Gate Auto Auctions of Freemont, California for £1.72m. The deal will give BCA's U.S. arm coverage of the important West Coast of America.

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid £m's** | Bidder |
|---|---|---|---|---|---|
| Prices in pence unless otherwise indicated. | | | | | |
| Brkly & Hay Hill | 10 | 9½ | 10½ | 2.90 | Promotions House |
| Danish Bacon 'A' | 115* | 100 | 110 | 1.98 | Ess-Food |
| Eagle Star | 660* | 710 | 528 | 912.94 | BAT Inds |
| Eagle Star | 650*§ | 710 | 500 | 899.11 | Allianz Verschrng |
| FMC¶ | 49* | 46 | 48 | 4.90 | Hillsdown Hldgs |
| Firmin | 90* | 93 | 90 | 2.34 | Aston Ford Invs |
| Garford Lilley | 98½§§ | 98 | 38 | 6.49 | Williams Hldgs |
| Helical Bar | 65*§ | 58 | 75 | 1.89 | Exent |
| Hoover (UK) Ord | 240*§ | 232 | 215 | 18.34 | Hoover (U.S.) |
| Hoover (UK) "A" | 235*§ | 232 | 205 | 28.69 | Hoover (U.S.) |
| Ingram (H.) | 65*§ | 195 | 80 | 1.02 | Wasskon |
| Rightwise | 238¼*§ | 190 | 200 | 2.57 | Crosby House |
| Royal Worcester¶ | 314§§ | 384 | 275 | 21.25 | Crystalate |
| Russel Bros¶ | 160* | 145 | 115 | 0.72 | Mr N. Phoenix |
| Stenhouse | 138§§ | 137 | 106 | 52.38 | Reed Stenhse 'A' |
| Streeters | 20*§ | 21 | 38½ | 1.15 | Costain |
| Sunlight Serv | 285† | 217 | 192 | 34.53 | Brengreen Hldgs |
| Tate of Leeds | 210*§ | 208 | 170 | 1.21 | Tate family |
| Tecalemit | 43½§§ | 51 | 29 | 14.78 | Siebe Gorman |
| Telfos | 40*§ | 46 | 38 | 2.08 | Plantation and Gen Ivs |
| Trust Securities | 15* | 54 | 46 | 4.69 | Stockley Dev. |
| Twinlock | 71*§ | 70 | 60†† | 15.17 | Acco World Cpn |
| UBM Group | 136½§§ | 122 | 99 | 80.03 | Norcros |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 9/12/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| Alpine Soft D | Sept | 203L | (651) | 0.6 | (1.21) |
| Assoc British Eng | Sept | 394 | (380) | 0.36 | (0.33) |
| Atkins Bros | Sept | 106 | (40) | 1.35 | (1.35) |
| Bardon Hill | Sept | 1,640 | (1,340) | 1.75 | (1.5) |
| Baynes Charles | Sept†† | 230 | (364) | 0.5 | (0.6) |
| Birmingham Mint | June | 38 | (367) | 3.0 | (3.0) |
| Blackwood Hodge | Sept†† | 1,800L | (2,149)L | — | (—) |
| Braithwaite & Co | Sept | 307 | (403) | 4.0 | (4.0) |
| Brit & Am Film | June | 163 | (138) | 1.38 | (1.25) |
| British Benzol | Sept | 26 | (142) | — | (—) |
| Brit Tar Products | Sept | 730 | (343) | 0.8 | (0.53) |
| Brown N. Inv | Sept‡ | 1,200 | (1,010) | 2.5 | (2.0) |
| Brunning Group | Sept | 252 | (416) | 1.93 | (1.93) |
| Butterfield H. | Oct | 739L | (513)L | — | (—) |
| Caird A. & Sons | July | 244L | (156)L | — | (—) |
| Carless Capel & L | Sept | 1,360 | (904) | 1.0 | (1.0) |
| Celestion Ind | Oct | 384L | (775)L | — | (—) |
| *Chloride* | *Sept* | *3,100* | *(900)L* | — | (—) |
| Coalite | Sept | 10,000 | (8,210) | 1.67 | (1.55) |
| Cohen A. & Co | June | 1,010 | (680) | 3.0 | (2.73) |
| Control Secs | Sept | 607 | (656) | 1.58 | (1.58) |
| Crosby Woodfield | Sept | 62 | (173)L | — | (—) |
| Deritend | Aug | 623 | (264) | 2.2 | (2.2) |
| Dixon, David | Oct | 107 | (—) | 2.22 | (2.22) |
| Edbro Holdings | June | 1,100 | (700) | 2.0 | (2.0) |
| Ferranti | Sept | 14,800 | (11,800) | 2.2 | (1.8) |
| FKI Elec | Oct | 914 | (726) | 0.2 | (—) |
| Greycoat City Off | June | 686 | (345) | 0.6 | (0.5) |
| GUS | Sept | 92,230 | (82,810) | 5.5 | (5.0) |
| Gypsum Ind | Sept | 2,970 | (2,600) | — | (—) |
| Hall, Matthew | Sept†† | 9,680 | (8,430) | 1.28 | (1.2) |
| Hampton Trust | Sept | 111 | (20) | — | (—) |
| Hicking Pent | Sept | 21 | (6) | — | (2.0) |
| Kelvin Watson R. | Sept | 232 | (193) | 1.3 | (1.3) |
| Kleen-E-Zee | Oct | 87 | (14) | 1.0 | (1.0) |
| Lennons Group | Oct | 600 | (135)L | 0.3 | (0.25) |
| London & Mid Ind | Sept | 2,210 | (1,306) | 3.5 | (2.9) |
| Lond & Oseas Frei | Sept | 6,530L | (4,620)L | — | (—) |
| Lynton Hldg | Sept | 882 | (704) | 2.2 | (1.82) |
| Merrydown Wine | Sept | 363 | (—) | 1.0 | (—) |
| Mitchell Somers | Oct | 9 | (717) | 1.5 | (1.5) |
| Pegler-Hatt | Oct | 7,870 | (7,290) | 5.0 | (4.0) |
| Phoenix Assur | Sept†† | 20,600 | (17,000) | — | (—) |
| Pilkington | Oct | 30,400 | (16,000) | 5.0 | (5.0) |
| Preedy, Alfred | Oct‡ | 418L | (315)L | 0.75 | (0.75) |
| Rowlinson Sec | Sept | 332 | (322) | 0.18 | (0.18) |
| Russell, Alexndr | Sept | 1,280 | (1,110) | 0.39 | (0.33) |
| Scruttons | June | 333 | (559) | 1.5 | (1.5) |
| Sogomana | June | 457 | (378) | 5.0 | (3.0) |
| Stormgard | June | 49 | (30) | — | (—) |
| Swan, John & Sns | Oct | 114 | (134) | — | (—) |
| TMG | June | 151 | (906)L | — | (—) |
| Toothill R. W. | Sept | 155 | (144) | 3.0 | (3.0) |
| UKO Int | Sept | 1,200 | (44) | — | (—) |
| Utd Leasing | Sept | 1,220 | (573) | 0.8 | (—) |
| Vinten Group | Sept | 1,810 | (1,050) | 0.91 | (0.81) |
| Wagon Ind | Sept | 1,650 | (1,373) | 2.0 | (2.0) |
| Wellman | Sept | 1,610L | (1,210)L | — | (—) |

## Offers for sale, placings and introductions

Henara—Offer for sale of 2.6m ordinary 10p shares at a price of 95p each.

High Point Services Group—Coming to USM via a placing of 944,000 shares at 137p each.

Johnson and Jorgenson joins the USM by way of a placing of 1,578,965 ordinary 10p shares at 85p each.

MME Facilities coming to USM via a placing of 2m shares at 40p per share.

Moray Firth Maltings is coming to the USM via a placing of 448,825 shares at 195p per share.

Synterials—Coming to USM by way of an offer of 20m shares at £1 each.

Tyne Tees Television—Coming to USM by way of a placing of 10 per cent of its A non-voting shares at 135p each.

## Issue News

Queens Moat Houses will carry a coupon of 12 per cent on an issue price of £99.44p.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| Avon Rubber | Oct | 2,320 | (1,040)L | — | (—) | 3.0 | (1.0) |
| Baggeridge Brick | Sept | 887 | (488) | 18.6 | (18.0) | 5.25 | (4.38) |
| Bass | Sept | 175,000 | (136,700) | 34.9 | (29.1) | 11.36 | (10.1) |
| BOC | Sept | 95,800 | (104,600) | 14.5 | (19.5) | 6.3 | (5.74) |
| Brown, Matthew | Oct | 6,430 | (5,840) | 21.8 | (19.3) | 7.42 | (6.9) |
| Canvermoor | Sept | 521 | (427) | 12.7 | (14.3) | 3.64 | (—) |
| City Site Estates | Sept | 110 | (141) | 0.8 | (0.8) | 0.58 | (0.5) |
| Cooper, Frederick | July | 424 | (357) | 4.9 | (4.2) | 1.65 | (1.55) |
| Crystalate | Sept | 3,210 | (2,390) | 10.9 | (8.3) | 3.26 | (2.42) |
| Devenish J. A. | Sept | 1,920 | (1,840) | 32.2 | (38.5) | 10.25 | (9.5) |
| Dubilier | Oct† | 3,220 | (1,950) | — | (—) | 2.0 | (1.74) |
| Gable House | June | 310 | (60) | 20.3 | (6.1) | — | (—) |
| Granada Group | Oct | 43,460 | (47,060) | 12.5 | (12.9) | 5.8 | (5.28) |
| Greenall Whit | Sept† | 24,000 | (20,710) | 12.9 | (12.2) | 4.03 | (3.69) |
| Hanson Trust | Sept | 91,100 | (60,400) | 16.9 | (12.7) | 5.0 | (4.0) |
| Hardanger Prop | Sept | 1,530 | (922) | — | (—) | 9.8 | (9.8) |
| Hunslet (Hldg) | Aug | 742L | (2,128) | — | (106.3) | 8.5 | (8.5) |
| Inn Leisure | Sept | 538 | (—) | 2.3 | (—) | 0.42 | (—) |
| Keystone Inv | Oct | 1,050 | (1,070) | — | (—) | 10.0 | (10.0) |
| Leeds Group | Sept | 1,240 | (1,100) | 16.5 | (15.3) | 3.0 | (2.5) |
| Lombard North | Sept | 61,300 | (53,800) | 93.9 | (119.7) | — | (—) |
| Metamec Jentique | June | 977L | (739)L | — | (—) | 0.01 | (0.5) |
| Polly Peck | Sept | 24,690 | (10,500) | 283.3 | (146.3) | 28.0 | (15.3) |
| Ranks Hovis McD | Sept | 44,110 | (35,110) | 10.9 | (9.0) | 3.97 | (3.56) |
| Saatchi & Saatchi | Sept | 11,210 | (5,520) | — | (—) | 8.4 | (5.8) |
| Sidlaw | Sept | 6,030 | (4,230) | 46.1 | (38.4) | 16.0 | (12.0) |
| Speyhawk | Sept | 3,130 | (2,860) | 18.2 | (21.5) | 7.7 | (7.0) |
| Stenhouse | Sept | 8,360 | (7,858) | 10.4 | (10.7) | 6.6 | (15.5) |
| Trafalgar House | Sept | 79,030 | (65,030) | 24.6 | (20.6) | 8.5 | (7.2) |
| Vaux Breweries | Oct | 12,070 | (10,480) | 24.2 | (21.6) | 9.08 | (8.25) |
| Vectis Stone | Sept | 902 | (666) | 3.6 | (2.3) | 2.0 | (1.8) |
| Williamson Tea | June | 4,398 | (1,980) | 41.7 | (23.9) | 15.0 | (12.5) |
| Wolver & Dudley | Sept | 12,510 | (11,340) | 20.8 | (20.3) | 4.55 | (4.25) |

*(Figures in parentheses are for the corresponding period.)*

*Dividends are shown net pence per share except where otherwise stated. † 53 weeks. †† Nine months. ‡ 27 weeks. L Loss.

## Scrip Issue

Keystone Investment Company—One for ten scrip issue proposed.

Continued from Page 20

Oriental Petroleum and Minerals B ¼ (5.12)
Overseas Chinese Banking Corp 340⊕
Pall Corp £25¼⊕
Palliser Int Energy 13 (7.12)
Pan American World Airways 590 (7.12)
Pancanadian Petroleum £14
Pancontinental Petroleum 16½ (7.12)
Pancontinental Petroleum Options 30 6 85 81⊕ (5.12)
Parker Drilling 650 (7.12)
Pecos Resources 320
Penn Central Corp £26⅝⊕
Penney (J.C.) £40¾ (5.12)
Petroleum Securities Aust 86 (5.12)
Peugeot SA FFr 206.90⊕ (7.12)
Phelps Dodge £17
Piezo Electric Products 65 (2/12)
Pilgrim Coal Corp 140 (7.12)
Pioneer Concrete Services 109
Pittston £9⅞⊕ 10¼ (6.12)
Placer Development £12⅞ (5.12)
Poseidon 293 5 7
Project Oil Exoln 30 (6.12)
Queen Margaret Gold Mines 16¼
RCA Corp £25⊕ (7.12)
Raytheon £30½
Repco 75⊕ (6.12)
Robinson 55 (6.12)
Rovex Sturgex Mining 430⊕ (7.12)
Schering-Plough Corp £26¼⊕ (6.12)
Scientific-Atlanta £11.30 (2.12)
Score Resources 260 (2.12)
Selangor Coconuts 108 (7.12)
Selangor Props 171⊕
Siemens AG US$137¼⊕ £94½⊕ 93.95 95.75
Spargos Exoln 24⊕ 4 5 (7.12)
Standard Oil & California £73.70⊕ (6.12)
Standard Oil of California £23.20⊕ (6.12)
Stirling Petroleum 3¼ (5.12)
Straits Trading 182⊕
Sun Hung Kai Properties 42½ (7.12)
Superior Oil US$35⊕ (6.12)
Sydney Development Corp 150⊕ 60⊕
Sydney Oil 28
Tandy Corp £29.92½
Target Petroleum Ord 12⊕ 15 (2.12)
Target Petroleum (A$0.15) 15½
Teck Corp B 635 (2.12)
Terrex Res 28½ 33
Texas Oil and Gas £29¾ 30¼ (7.12)
Timor Oil 3½
Tri-Continental Corp £19⅞
Umal Cons 182½
Union Pacific Corp $49¼⊕ ¾⊕ (2.12)
Utd Overseas Bank 175⊕ 5
Utd Overseas Land 74 (6.12)
Valiant Cons 20 [illegible]
Vallkswzcernwerk AG £50.80⊕
Waste Management £60¼⊕
West Aust Onshore Oil 14 (8.12)
West Coast Transmission 82⊕ (2.12)
Western Co of North America £8¾ (2.12)
Western Union Corp £26 (6.12)
Westfield Minerals 115 (5.12)
Westinghouse Electric £36⅞ (6.12)
Windsor Resources 24½⊕ (7.12)
Woolworth (A$0.50) 170 (6.12)
World Intnl (Hldgs) 13¼ (6.12)
Zone Petroleum 140

### RULE 163 (2)

**Applications granted for specific bargains in securities not listed on any Stock Exchange.**

Abbey National Bldg Soc 11pcBds due 11/1/84 £99.986 .991 (7/12)
Adnams B (£1) £17.70 .80
All England Lawn Tennis Gnd £500Dbs 1981-85 £1,950 (7/12)
Alliance Bldg Soc 11¼pcBds due 4/4/84 £100.065 .075 (8.12)
Alliance Bldg Soc 11½pcBds due 29/2/84 £100.073 .078 (5/12)
Amal Metal Corp (£1) 210 22 30 (7/12) 5.4pcPf (£1) 33 ¼
Amal Metal Corp 6pcPf (£1) 41¼ (2.12)
Ann Street Brewery (£1) 392 5 (5/12)
Aston Villa FC (1 vote) 500 600 (7/12)
Assoc Hotels (50p) 165 (6/12)
Biotechnology Invs US$0.02 £11½ ¼
Booth (A.) (£1) 800 (6/12)
Bristol and West Bldg Soc 8¾pcBds 14/3/84 £100.065 .071 (5/12)
Cannon St Invs (20p) 2 5 (7/12)
Carraon (10p) 9 (6/12)
Carrs Milling Inds 7½pcLn 2001-05 £47 (7/12)
Ceylon and Indian Planters (£1) 175 85 (6/12)
Channel Hotels and Props (10p) 35 6 (6/12)
Checkpoint Europe 420 1 (5.12)
Church Army Hsg Soc 2½pcLn £9 11 (2/12)
CIC Inv (1p) 1 .0005 (7/12)
Comcl Bank of Wales (£1) 83 5
Dalkeith (Ceylon) (10p) 13 4 5 (5/12)
Dart Valley Light Rlwy (£1) 70
De La Mare (W.H.) (£1) 400 (7/12)
Delbght Inds (10p) 12 5 (7.12)
Dollar Land (£1) 61 ¹⁄₁₆ ⅛ (5.12)
Eastbourne Wtrwrks (£1) (4.9pc Max Div) 34 6 (6.12)
Edenspring (1p) 7½ 8 ½
Electrac Hldgs (50p) 249 50 ⅞
Exchem (50p) 115 20
Flightspares (10p) 265½ 7
Greater Manchester Ind Radio 8 111 ¾ (5.12)
Grendon Tst 11pcSubLn 1976-83 £17 8½ (6.12)
Hard Rock Cafe (New 2p) 36 (6/12)
Hartley Baird (5p) 5 6
Interlekt Electronics (1p) 9 ⅟₁₆ (6.12)
Interlekt Electronics 6pcPf (£1) 50 ¼ (6.12)
London and Overseas Land (20p) 40 2
Memcom Intl (10p) 99 (2/12)
Merrett (10p) 125 ½ (7.12)
Morgan Grenfell 4pcRedPf (£1) 30 3 (6.12)
Norton Villiers Triumph (10p) 1½ 2½
Oldham Ests (50p) 99¹⁄₁₆ ¼ (6.12)
Ouvah Highfields (£1) 78 80 2 (7.12)
Panther Secs 62 70 (6.12)
Plantation and Gen Invs 171 2 (6.12)
Red Rose Radio A (10p) 22 (2.12)
Rotaco (10p) 2¾ 4 (5.12)
Servis (1p) 33 ½ 5 ½ (6.12)
Seymours 4pcPtPf 44 (7.12)
Shepherd Neame A 675 80 (2.12)
Southern Newspapers (£1) 210 3
Taddle Invs (10p) 19½ 20 31
Weetabix A (Non.vtg) 84 8
Welsh Inds Inv Tst Pfd 10½ 11 (6.12)
Welsh Inds Inv Tst Pfd (5p) 10 ¾ 11 (6/12)
Winchmoore 25 ½ (7.12)

### RULE 163 (3)

**Dealings for approved companies engaged solely in mineral exploration.**

Bryson Oil & Gas (20p) 202 5 10 2 5 8 9 20 4
Kenmare Oil Exp (Ir25p) 9 10
Oliver Prospecting Mining (Ir25p) 170 85 90 (7.12)

*(By permission of the Stock Exchange Council)*

## EUROPEAN OPTIONS EXCHANGE

| Series | | Feb. Vol. | Feb. Last | May Vol. | May Last | Aug. Vol. | Aug. Last | Stock |
|---|---|---|---|---|---|---|---|---|
| GOLD C | $375 | 19 | 28 | 16 | 38 B | — | — | $389 |
| GOLD C | $400 | 13 | 11.50 A | 81 | 23.50 | — | — | „ |
| GOLD C | $425 | 40 | 4.80 A | 6 | 12 | — | — | „ |
| GOLD C | $450 | — | — | 59 | 6.50 | — | — | „ |
| *GOLD P* | *$350* | *10* | *1.50* | *10* | *2.50* | — | — | „ |
| GOLD P | $375 | 24 | 4.30 | — | — | — | — | „ |
| [illegible] | | | | | | | | |

TOTAL VOLUME IN CONTRACTS: 11,093

A=Ask B=Bid C=Call P=Put



## APPOINTMENTS

# Housing Corporation chief executive

The HOUSING CORPORATION has appointed **Mr David Edmonds**, at present under-secretary in charge of the Inner Cities Directorate of the Department of the Environment, to be chief Executive of the corporation in succession to **Mr Dick Madge** on his retirement in June 1984. The Corporation has become the main funding agency for housing associations in this country with a capital programme this year of some £850m.

★

**Mr Michael O'Loughlin**, until recently chairman, European operations, with the Chloride Group, is to be managing director of STC BUSINESS SYSTEMS from January 1. He joined Chloride in 1981: prior to that he was managing director Pye Telecommunications.

★

**Mr Alistair Cumming**, at present manufacturing director of Rolls-Royce, Bristol, is to become engineering director of BRITISH AIRWAYS on January 1. **Mr John Garton**, at present director of engineering at British Airways, will continue as chairman of British Airways Engine Overhaul and advise the board on engineering matters. He is to retire next March. From January, British Airways' engineering will become part of the new operations department headed by **Mr Howard Phelps**.

★

CORRALL CONSTRUCTION has appointed three directors. **Mr David A. Hugill** and **Mr Christopher Randle** will be responsible for the company's contracts in the north and south of the UK respectively. **Mr Brian J. Parkinson** becomes marketing director.

★

**Mr John Quinton** has been appointed managing director of C & S ANTENNAS. He joins from Computer Communications, where he was managing director.

★

THE DEPARTMENT OF ENERGY has appointed **Dr Derek Pooley** to the full-time post of chief scientist and head of the energy technology division from December 12. He comes from the Harwell Laboratory of the United Kingdom Atomic Energy Authority, where he has been director of non-nuclear energy research. He replaces **Dr J. A. Catterall**, who was recently appointed secretary of the Science and Engineering Research Council.

★

On the appointment of **Lord Eden of Winton** as executive chairman of CENTRAL & SHERWOOD the following board changes have been made: **Mr Leslie Thomas** becomes a non-executive director but continues as deputy chairman: **Mr David N. James** is appointed group managing director and **Mr John Singer** becomes director of finance and administration: **Mr John Thomson**, deputy chief executive of Brooke Bond and deputy chairman of London & Manchester, and **Mr Peter Ryan**, a partner in The Butterfield Partnership and formerly executive director of Thomas Tilling, join the board as non-executive directors. **Sir Neil Shields** and **Mr Nicholas A. H. Stacey** are resigning as directors of Central & Sheerwood and associated companies to pursue other interests.

★

**M Tony Christopher** becomes chairman of the Tyre Industry Economic Development Committee of NEDO. He is general secretary of the Inland Revenue Staff Federation.

★

THE UNION DISCOUNT COMPANY OF LONDON announces that **Mr Patrick L. Shepherd**, company secretary, and **Mr Keith R. Knowles**, a manager, will retire on December 31. **Mr Simon J. St. F. Dare** has been appointed secretary and accountant from January 1. Mr Dare *will succeed Mr Shepherd as* honorary secretary of the London Discount Market Association from the same date.

DUBILIER has appointed **Mr Peter D. Cowell** as deputy chairman in addition to his present duties as group managing director. **Mr Christopher R. Bean**, in addition to his present duties as financial director, becomes deputy group managing director.

★

**Mr Peter C. Timms** has been appointed finance director of ELBAR INDUSTRIAL.

★

**Mr Derek Whiting** has been appointed chairman of THE ASSOCIATION OF FUTURES BROKERS AND DEALERS in succession to **Mr David Harcourt**, who will continue in an advisory capacity as well as chairman of the London Commodity Exchange. Mr Whiting has had over 30 years' experience in the commodity and futures markets. He is chairman of Comfin (Commodity and Finance) Company, vice-chairman of the Sugar Market and has directorships of the London Commodity Exchange, the International Petroleum Exchange and the London International Financial Futures Exchange.

★

**Mr David Walson** is appointed chief executive of Midlands-based DANKS GOWERTON today. He joins from GEC Small Machines where he was managing director.

★

**Mr Ralph P. H. Sterckx** will retire as general manager of the NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALASIA for the UK and Republic of Ireland on December 31. He will be succeeded by **Dr R. John Leaper**, presently deputy general manager and previously manager for Western Australia. Mr Sterckx will assist with the relo*cation of the chief office from* London to Poole in a consultancy capacity until the removal date in mid-1984.

Senior appointments have been made by BRITISH TELECOM to strengthen its technology executive. **Dr David Leakey** will join the corporation on January 1 as deputy engineer-in-chief. He will operate across all aspects of Telecom's engineering strategy. Dr Leakey is technical director of GEC Telecommunications. **Mr Charles May**, formerly director of research, has been made senior directors development and technology. He is responsible for managing the corporation's major systems research and development programme, currently valued at about £130m a year.

**Mr David Merlo** takes over as director of research at the Martlesham laboratories. Mr Merlo is succeeded by **Dr John Thompson** as deputy director dealing with transmission research. **Mr Clive Foxell**, senior director procurement, has assumed responsibility for procurement of all materials as well as major systems, and will act as adviser to the board of British Telecom on procurement policy.

★

**Mr John Mostyn**, a director of Harvey's of Bristol and chairman of Cockburn Smithers, has become a director of the WINE DEVELOPMENT BOARD. He is also president of the Wine and Spirit Association.

## Economic Diary

**TODAY:** Inauguration of President Raul Alfonsin of Argentina, Buenos Aires. Nobel Prizes awards ceremonies, Oslo and Stockholm.

**MONDAY:** Central bankers meet in Basle, discuss credit for IMF. November provisional figures for retail sales. Third quarter food facts. ASLEF leader Mr Ray Buckton and Employment Secretary Mr Tom King speak at Industrial Society conference on Employee Involvement, London. CBI statement on Survey of Employee Involvement. Engineering industry pay talks.

**TUESDAY:** Index of output of the production industries for October. Third quarter construction output. Building societies' monthly figures for November. Coal industry joint policy advisory committee meeting, NCB HQ London. NUPE and Fire Brigades Union statement on accidents involving release of radioactivity. EEC Agriculture and Research Councils meet in Brussels. EEC Economic and Social Committee plenary session opens in Brussels (to December 15).

**WEDNESDAY:** October indices of average earnings. November indices of basic rates of wage. National Consumer Council statement on Banking Services and the Consumer Report. Reuter board discusses Stock Exchange flotation. Employment secretary Mr Patrick Jenkin statement on rate support grant. EEC Fisheries and the Steel Councils meet in Brussels.

**THURSDAY:** Cyclical indicators for the UK economy for November. Third quarter provisional figures of capital expenditure by the manufacturing, distributive and service industries. Manufacturers' and distributors' stocks (third quarter, revised). Investment intentions of the manufacturing, distributive and service industries (1984-85). London sterling certificates of deposit for November. UK banks' assets and liabilities and the money stock in mid-November. Jamaican general election.

**FRIDAY:** November tax and price index. Retail prices index for November. Public sector borrowing requirement (November). Usable steel production in November. September sales and orders in the engineering industries. EEC Environment Ministers meet in Brussels.



## LONDON TRADED OPTIONS

| Option | Calls Jan. | Calls Apr. | Calls July | Puts Jan. | Puts Apr. | Puts July |
|---|---|---|---|---|---|---|
| Brit. Petroleum (*390) | | | | | | |
| 360 | 40 | — | — | 3 | — | — |
| 390 | 20 | 30 | 38 | 11 | 20 | 24 |
| 420 | 6 | 16 | 22 | 36 | 44 | 46 |
| [illegible] | | | | | | |

| Option | Calls Feb. | Calls May | Calls Aug. | Puts Feb. | Puts May | Puts Aug. |
|---|---|---|---|---|---|---|
| Imperial Group (*132) | | | | | | |
| 110 | 25 | 27 | — | 0¾ | 1½ | — |
| 120 | 17 | 19 | — | 1½ | 2½ | — |
| 130 | 9 | 11 | 14 | 4½ | 7 | 8 |
| 140 | 3½ | 6 | 8 | 10 | 12 | 14 |
| [illegible] | | | | | | |

Dec. 9. Total Contracts 2,642. Calls 1,876. Puts 766
* Underlying security price.

## CONTRACTS

# Computerising HK Stock Exchange

The Stock Exchange of Hong Kong has signed a £4.5m contract with a consortium consisting of **LOGICA** and **JARDINE HONG KONG** for the turnkey supply of a computerised trading system for the new unified Hong Kong Stock Exchange. The Logica/Jardine total system solution includes provision of computers and terminals, development of application software, provision of machine room environment, training of brokers and personnel who will use the system, implementation support and the overall management of the project.

★

**FLAKT CANADA**, a unit of Flakt, a Swedish air processing and environmental technology group, has been awarded a contract for what it called the first full-scale application of a system for using wood waste as a pulverised suspension fuel for an industrial boiler. A Canadian pulp company has ordered a Bionasster system valued at $6m (£4m). The equipment will be delivered for start up in December 1984. It is believed that the Canadian customer is E. B. Eddy Forest Products, Espanola, Ontario. The Bionasster system will be used to pulverise and dry 35 tons of wet bark and wood waste per hour, turning the material into a fuel that will be fired in suspension into the pulp plant's boiler. The process can also be used on other biofuels, such as bark and peat.

★

A £5m export order for Kuwait has been won by a Derbyshire pipework company owned by the British Steel Corp. The contract was won by the **STANTON & STAVELEY** Works, near Ilkeston, despite competition from Japan and France. Workers will be kept busy until March, producing 16,000 tonnes of iron pipes for a water supply system.

★

**CONTOR**—a joint initiative by KTK and Bull Electric has resulted in an order worth £830,000 from Beaver Machine Tool Sales for 130DC spindle drives.

★

A generating set worth £3.8m ordered for Britoil's Thistle platform will be the 68th to be supplied by **ROLLS-ROYCE** to provide electrical and pumping power on North Sea oil and gas rigs. The order will be delivered next July.

★

The engineering division of **AEG-TELEFUNKEN (UK)** has received a £2m order to supply single and three phase UPS systems from the Central Electricity Generating Board for Heysham 2 power station.

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 9 % | Heritable & Gen. Trust | 9 % |
| Allied Irish Bank | 9 % | ■ Hill Samuel § | 9 % |
| Amro Bank | 9 % | C. Hoare & Co. † | 9 % |
| Henry Ansbacher | 9 % | Hongkong & Shanghai | 9 % |
| Arbuthnot Latham | 9 % | Kingsnorth Trust Ltd. | 10 % |
| Armco Trust Ltd. | 9 % | Knowsley & Co. Ltd. | 9½ % |
| Associates Cap. Corp. | 9½ % | Lloyds Bank | 9 % |
| Banco de Bilbao | 9 % | Mallinhall Limited | 9 % |
| Bank Hapoalim BM | 9 % | Edward Manson & Co. | 10 % |
| BCCI | 9 % | Meghraj and Sons Ltd. | 9 % |
| Bank of Ireland | 9 % | Midland Bank | 9 % |
| Bank Leumi (UK) plc | 9 % | ■ Morgan Grenfell | 9 % |
| Bank of Cyprus | 9 % | National Bk. of Kuwait | 9 % |
| Bank of Scotland | 9 % | National Girobank | 9 % |
| Banque Belge Ltd. | 9 % | National Westminster | 9 % |
| Banque du Rhone | 10 % | Norwich Gen. Tst. | 9 % |
| Barclays Bank | 9 % | R. Raphael & Sons | 9 % |
| Beneficial Trust Ltd. | 10 % | P. S. Refson & Co. | 9 % |
| Bremar Holdings Ltd. | 9 % | Roxburghe Guarantee | 9½ % |
| Brit. Bank of Mid. East | 9 % | Royal Trust Co. Canada | 9 % |
| ■ Brown Shipley | 9 % | Standard Chartered | 9 % |
| CL Bank Nederland | 9 % | Trade Dev. Bank | 9 % |
| Canada Perm't Trust | 10 % | TCB | 9 % |
| Castle Court Trust Ltd. | 9½ % | Trustee Savings Bank | 9 % |
| Cayzer Ltd. | 9 % | United Bank of Kuwait | 9 % |
| Cedar Holdings | 9 % | United Mizrahi Bank | 9 % |
| ■ Charterhouse Japhet | 9 % | Volkskas Intnl. Ltd. | 9 % |
| Choulartons | 10½ % | Westpac Banking Corp. | 9 % |
| Citibank Savings ¶ | 10½ % | Whiteaway Laidlaw | 9½ % |
| Clydesdale Bank | 9 % | Williams & Glyn's | 9 % |
| C. E. Coates | 9½ % | Wintrust Secs. Ltd. | 9 % |
| Comm. Bk. of N. East | 9 % | Yorkshire Bank | 9 % |
| Consolidated Credits | 9 % | | |
| Co-operative Bank * | 9 % | | |
| The Cyprus Popular Bk. | 9 % | | |
| Dunbar & Co. Ltd. | 9 % | | |
| Duncan Lawrie | 9 % | | |
| E. T. Trust | 9½ % | | |
| Exeter Trust Ltd. | 10 % | | |
| First Nat. Fin. Corp. | 11 % | | |
| First Nat. Secs. Ltd. | 10½ % | | |
| Robert Fraser | 10 % | | |
| Grindlays Bank ‡ | 9 % | | |
| ■ Guinness Mahon | 9 % | | |
| ■ Hambros Bank | 9 % | | |

■ Members of the Accepting Houses Committee
* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6¼%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
§ 21-day deposits over £1,000 6½%.
¶ Demand deposits 5½%.
¶ Mortgage base rate.
Money Market Cheque Account 8.75%. Effective annual rate 9.11%.



### Over-the-Counter Market

| 1982-83 High | 1982-83 Low | Company | Price | Change | Gross div. (p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| 142 | 120 | Ass. Brit. Ind. Ord. | 121 | — | 6.4 | 5.2 | 7.0 | 9.2 |
| 158 | 117 | Ass. Brit. Ind. CULS | 132 | — | 10.0 | 7.6 | — | — |
| 78 | 57 | Airsprung Group | 76 | — | 6.1 | 8.0 | 21.7 | 21.7 |
| 46 | 21 | Armitage & Rhodes | 28 | + 1 | — | — | — | — |
| 252 | 98½ | Bardon Hill | 252 | + 2 | 7.2 | 2.9 | 10.3 | 20.9 |
| 54 | 52 | Bray Technologies | 54 | — | 2.7 | 5.0 | 9.7 | 10.6 |
| 151 | 100 | CCL 11pc Conv. Pref. | 144 | — | 15.7 | 10.9 | — | — |
| 270 | 100 | Cindico Group | 100 | — | 17.6 | 17.6 | — | — |
| 86 | 45 | Deborah Services | 51 | — | 6.0 | 11.8 | — | — |
| 176 | 77 | Frank Horsell | 175 | + 1 | — | — | 7.4 | 12.1 |
| 165 | 75½ | Frank Horsell Pr Ord 87 | 165 | — | 8.7 | 5.2 | 6.9 | 11.4 |
| 63 | 32 | Frederick Parker | 39 | — | 7.1 | 18.2 | 2.4 | 3.9 |
| 55 | 32 | George Blair | 33 | — | — | — | — | — |
| 100 | 50 | Ind. Precision Castings | 50 | — | 7.3 | 14.6 | 13.9 | 17.2 |
| 218 | 100 | Isis Conv. Pref. | 216 | − 2 | 17.1 | 7.5 | — | — |
| 114 | 47 | Jackson Group | 114 | + 2 | 4.5 | 3.9 | 6.0 | 11.7 |
| 237 | 111 | James Burrough | 219xd | — | 11.4 | 5.2 | 12.1 | 12.4 |
| 260 | 122 | Robert Jenkins | 122xd | — | 20.0 | 16.4 | 14.2 | 9.5 |
| 63 | 54 | Scruttons "A" | 62 | − 1 | 5.7 | 9.2 | 10.3 | 7.5 |
| 167 | 76 | Torday & Carlisle | 76 | — | 2.9 | 3.8 | — | — |
| 430 | 385 | Trevian Holdings | 430 | — | — | — | 6.5 | 5.0 |
| 29 | 17 | Unilock Holdings | 17 | — | 1.0 | 5.8 | 11.1 | 16.2 |
| 90 | 64 | Walter Alexander | 87 | — | 6.8 | 7.8 | 7.6 | 10.1 |
| 276 | 214 | W S Yeates | 245 | — | 17.1 | 6.9 | 3.8 | 7.9 |

# Early losses on Wall St

FURTHER LOSSES were recorded on Wall Street yesterday, despite a strong performance by IBM, which is often a market leader.

By 1 pm the Dow Jones Industrial Average was off 5.08 at 1,256.81, making a net loss of 8.43 on the week, while the NYSE All Common Index, at $95.14, shed 31 cents on the day and 52 cents on the week. Overall, declining issues led gains by nearly a two-to-one majority. Trading volume expanded 10.45m shares to 77.66m, compared with 1 pm on Thursday.

Analysts said the interest rate cloud still hangs over the Stock Market, and investors are being cautious in advance of the afternoon's Money Supply figures.

They said stock investors have also been paying close attention to movements in the Bond Market for signs of interest rate trends.

Yesterday the Bond Market was generally steady, but there is still concern about the high level of the Federal Funds rates.

Investors are also concerned that the Fed Funds rate may indicate the Central Bank's attitude toward rates.

IBM, which Thursday predicted a 14 per cent rise in 1984 sales, moved up $1⅝ to $120⅝. It also said it would repurchase some stock.

G. D. Searle, in active trading, declined $2¾ to $45¾—the company could not explain the move.

Informatic General Corp. dropped $5¼ to $21¼—late Thursday it estimated its profits would be depressed in the fourth and first quarters because of problems with a Department of Transportation contract.

ATT, when issued, held unchanged at $19¼, and the Original ATT shares were off $¼ to $63⅞, again led the active list.

Other losers on the active list included Colt Industries, down $⅞ to $53⅞ and Standard of Indiana also $⅞ to $47⅞.

Mattel dipped $⅛ to $5⅞ after reporting a "large" third fiscal quarter loss and saying it expects a deficit in the next quarter.

THE AMERICAN SE Market Value Index eased 0.53 to 221.67, making a loss of 3.26 on the week. Trading volume expanded 494,000 shares to 5.05m, compared with 1 pm Thursday.

Closing prices for North America were not available for this edition.

## Canada

Lower at midsession, paced by losses in the Resources and Transporation groups.

The Toronto Composite Index was off 6.7 at 2,528.7. Oil and Gas 20.8 at 3,429.6, Golds 10.5 at 4,081.6 and Metals and Minerals 2.3 at 2,478.4.

Nine of the 14 major Indices were lower. Papers, Consumer Products, Merchandising, and Financial Groups were higher.

## Australia

Resource shares fell while Industrials hit a record high in hectic trading.

The All Ordinaries Index shed 1.2 to 735.8, but the All Industrials climbed 8.7 to a new peak of 959.0, while the All Resources Index sank 8.8 to 558.4.

Elders' brokers, Roach Tilley Grice, soaked up most of the Cub scrip traded after Elders announced it will stand in the market for CUB's entire capital for one month, starting after Christmas. CUB's Ordinary jumped 37 cents to A$3.82, while its Contributing shares matched Elders' new offer price of A$3.04, up 44 cents.

Roach Tilley also moved to prop up Elders' shares after they fell 8 cents to A$3.82 and the stock closed 10 cents dearer at A$4.00.

Intense speculation about a revaluation of the Australian dollar, coupled with a sharp fall in the price of Gold in New York, sent exporting Mining stocks lower.

BHP, however, firmed 5 cents to A$13.70, bolstered by a drilling success in the Bass Strait.

New Oil float, Laurel Bay Petroleum shed 3 cents to 22 cents on 1.72m shares. Its options, however, picked up 7 cents to 8 cents.

Banks, Merchants, Transport, Paper and Packaging and also Alcohol and Tobacco stocks all improved.

## Tokyo

Late profit-taking and liquidation more than offset early gains and the market closed lower.

The Market Average shed 12.23 to 9,448.90, after rising 56.04 on Thursday. Volume 370m (315m) shares.

International "Populars" led the fall, followed by Motors, Electricals, Non-ferrous Metals and Speculatives.

Japanese and Foreign investors bought Steels because of a recovery in demand here.

Toshiba put on Y5 to 385, on its development of a new system for making very large-scale integrated circuits. Foreign investors were among the buyers.

Shares with good earnings prospects met demand, including Hokuetsu Paper, which rose Y13 to 338 on expectations of a large increase in its current profit in the year ending April 30.

Dealers said Japanese investors were *encouraged* by an *increase* in Foreign buying in the past two days.

Despite the sharp overnight fall on Wall Street, the volume of Foreign buying yesterday was the largest in recent weeks, and centred on shares with good earnings prospects and advanced technology issues.

## Hong Kong

Lower in thin trading with many cautious operators awaiting new developments.

The Hang Seng Index was 15.47 down at 858.39.

Dealers said the most bearish factor was the announcement by HK Land, off 15 cents at HK$2.80 that it plans to sell HK$250m of Commercial Paper. The market interpreted this as further evidence of the debt problems of the company.

Thursday's communique on the Sino-British talks on Hong Kong's future was not a major factor in the market yesterday.

## Singapore

Stock prices gained ground as optimism increased over the possibility for a solution of the Malaysian Constitutional dispute.

The Straits Times Index jumped 14.27 to 968.99. Volume 13.4m (9.7m) shares.

Many of the gains camef rom Malaysian-based concerns, whose shares have been depressed during the Government-Sultan disagreement in Malaysia. Singapore shares, which have remained relatively firm, generally showed little change.

## Germany

Lower in quiet trading, following the strength of the dollar, the overnight fall on Wall Street and year-end listlessness.

The Commerzbank Index fell 9.2 to 1,014.3, having retreated from its 23-year high of 1,031.3 reached a wek ago. The Index's record high is 1,031.9 set in September 1960.

Small-scale bargain hunting brought some issues off their lows in late trading, but only a handful of shares managed gains.

Insurer Allianz were down DM 11 to 820, after 815.

Metallgesellschaft were up DM 8 at 207.

## Switzerland

Domestic shares closed mixed in lacklustre trading, with the strong dollar and Thursday's inflation news having little impact.

In spite of profit-taking in selected issues the overall market continued steadier. Banks recouped earlier losses to close mostly slightly higher.

Swiss Bonds were mixed on low turnover, with Foreign issues affected by the sharply higher dollar.

In Foreign shares, Dollar stocks were mixed to slightly lower in small volume. Dutch Internationals mostly eased.

## Johannesburg

Gold shares sharply lower in active trading, shedding all and more of Thursday's strong gains as the bullion price plunged to near $388.

Industrials, however, closed mixed.

## NEW YORK

## CANADA

| Stock | Dec. 6 | Dec. 7 |
|---|---|---|
| AMCA Intl. | 23¾ | 23¼ |
| Abitibi | 24½ | 24¼ |
| Agnico Eagle | 18½ | 19 |
| Alberta Energy | 19⅛ | 19⅛ |
| Alcan Aluminium | 49 | 50⅜ |
| Algoma Steel | 26¾ | 26¾ |
| Asbestos | 10⅛ | 10⅛ |

## DENMARK

| Dec. 9 | Price Knr % | + or — |
|---|---|---|
| Aarhus Olie | 410 | ... |
| Andelsbanken | 276 | +1 |
| Baltica Skand. | 510 | ...... |
| CopHandelsbank | 277 | +3 |
| D. Sukkerfab. | 646xr | +1 |
| Danske Bank | 297 | —1 |
| East Asiatic | 137 | +1 |

## NETHERLANDS

| Dec. 9 | Price Fls. | + or — |
|---|---|---|
| ACF Holding | 180 | —1 |
| Aegon | 111.5 | —2.0 |
| Ahold | 181.0 | —1.5 |
| AKZO | 88.2 | —0.5 |
| ABN | 365 | —2 |
| AMEV | 152.0 | —2.5 |
| AMRO | 61.2 | —1.0 |

## AUSTRALIA

| Dec. 9 | Price Aust. $ | + or — |
|---|---|---|
| ANZ Group | 5.78 | ...... |
| Acrow Aust. | 1.5 | ...... |
| Alliance Oil D. | 0.85 | —0.05 |
| Ampol Pet. | 1.78 | —0.07 |
| Aust Cons Ind. | 1.85 | +0.01 |
| Aust. Guarant. | 2.8 | +0.05 |
| Aust. Nat. Inds. | 2.61 | +0.01 |
| Aust. Paper | 2.3 | +0.04 |

## JAPAN (continued)

| Dec. 9 | Price Yen | + or — |
|---|---|---|
| Konishiroku | 692 | —8 |
| Kubato | 501 | ...... |
| Kumagia | 425 | —1 |
| Kyoto Ceramic | 8,460 | —110 |
| Maeda Const. | 498 | ...... |
| Makino Milling | 1,380 | —30 |
| Makita | 1,220 | —20 |
| Marubeni | 260 | ...... |

## Indices

## NEW YORK ACTIVE STOCKS

# CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

# Dollar at record high

The dollar rose to record levels against several currencies yesterday. There were no new factors in the market with the dollar gaining strength from fears of higher U.S. interest rates and Middle East tension. It close at DM 2.7490 against the D-mark its highest level for 10 years and up from DM 2.7335 on Thursday. Against the Swiss franc it finished at a 13-month high of SwFr 2.2070 from SwFr 2.1915 and rose to record levels against the French franc and lira at FFr 8.3550 and L1663½ from FFr 8.3025 and L1656¼. It was also higher against the yen at Y236.50 from Y233.92½. On Bank of England figures, the dollar's index rose to 130.2 from 129.7.

Sterling was firmer overall. Its trade weighted index rose to 82.6 from 82.5, having stood at 82.5 at noon and in the morning. It finished at a record closing low against the dollar at $1.4355, a fall of 60 points but improved against the D-mark to DM 3.9475 from DM 3.9450.

### £ in New York—Latest

| | Dec. 9 | Previous |
|---|---|---|
| Spot | $1.4360-4370 | $1.4380-4390 |
| 1 month | 0.09-0.13 dis | 0.10-0.11 dis |
| 3 months | 0.28-0.33 dis | 0.27-0.28 dis |
| 12 months | 1.18-1.33 dis | 1.15-1.23 dis |

£ forward rates are quoted in U.S. cents discount.

### OTHER CURRENCIES

| Dec. 9 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 28.92-29.00 | 20.16-20.19 | Austria | 27.65-27.95 |
| Australia Dollar | 1.5600-1.5956 | 1.0995-1.1058 | Belgium | 80.60-81.40 |
| Brazil Cruzeiro | 1,325.9-1,334.0 | 924-929 | Denmark | 14.26-14.40 |
| Finland Markka | 8.3945-8.4080 | 5.8310-5.8530 | France | 11.94-12.06 |
| Greek Drachma | 141.30-141.90 | 98.50-99.00 | Germany | 3.95-3.97 |
| Hong Kong Dollar | 11.22-11.25 | 7.8170-7.8190 | Italy | 2370-2400 |
| [illegible] | | | | |

* Selling rates.

## THE POUND SPOT AND FORWARD

| Dec 9 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.4300-1.4380 | 1.4350-1.4360 | 0.09-0.14c dis | −0.96 | 0.27-0.32dis | −0.82 |
| Canada | 1.7875-1.7940 | 1.7925-1.7935 | 0.03-0.13c dis | −0.53 | 0.15-0.25dis | −0.46 |
| Nethlnd. | 4.41-4.44 | 4.41½-4.42½ | 1¼-⅞c pm | 3.05 | 3½-3 pm | 2.94 |
| Belgium | 79.90-80.20 | 80.07-80.17 | 5-15c dis | −1.50 | 30-40 dis | −1.75 |
| Denmark | 14.28½-14.32 | 14.30¼-14.31¼ | 2.90-3.95ore dis | −2.87 | 5.30-6.55dis | −1.65 |
| Ireland | 1.2650-1.2710 | 1.2685-1.2695 | 0.33-0.40p dis | −3.45 | 0.90-1.02dis | −3.03 |
| W. Ger. | 3.93-3.96 | 3.94¼-3.95¼ | 1⅛-⅝pf pm | 2.66 | 3⅛-2⅝ pm | 2.91 |
| Portugal | 186.75-188.00 | 187.60-188.00 | 125-335c dis | −14.70 | 465-880dis | −15.39 |
| Spain | 226.00-227.50 | 227.00-227.20 | 225-260c dis | −12.55 | 630-715dis | −11.84 |
| Italy | 2,385-2,391 | 2,387-2,389 | 13½-16½ lire dis | −7.29 | 43½-46½dis | −7.54 |
| Norway | 11.00-11.14 | 11.11½-11.12½ | 3.65-4.30ore dis | −4.29 | 9.90-10.75d | −3.71 |
| France | 11.95-12.00½ | 11.98¾-11.99¾ | 2¾-3¾c dis | −3.25 | 9½-10½ dis | −3.33 |
| Sweden | 11.53-11.56 | 11.54½-11.55½ | 1.90-2.35ore dis | −2.15 | 5.90-6.60dis | −2.16 |
| Japan | 336-340 | 339-340 | 0.70-0.62y pm | 2.33 | 2.26-2.12 pm | 2.58 |
| Austria | 27.70-27.85 | 27.77-27.82 | 7¼-6¼gro pm | 2.89 | 21¾-18¾ pm | 2.88 |
| Switz. | 3.16-3.19 | 3.16¾-3.17¾ | 1⅞-1⅜c pm | 5.21 | 4¼-3¾ pm | 4.89 |

Belgian rate is for convertible francs. Financial franc 81.10-81.20. Six-month forward dollar 0.58-0.63c dis, 12-month 1.23-1.28c dis.

## THE DOLLAR SPOT AND FORWARD

| Dec 9 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.4300-1.4380 | 1.4350-1.4360 | 0.09-0.14c dis | −0.96 | 0.27-0.32dis | −0.82 |
| Ireland† | 1.1300-1.1335 | 1.1305-1.1315 | 0.22-0.19c pm | 2.17 | 0.63-0.54 pm | 2.07 |
| Canada | 1.2475-1.2495 | 1.2490-1.2495 | 0.05-0.02c pm | 0.34 | 0.14-0.11 pm | 0.40 |
| Nethlnd. | 3.0750-3.0850 | 3.0785-3.0805 | 1.07-0.97c pm | 3.97 | 2.98-2.88 pm | 3.80 |
| Belgium | 55.70-55.85 | 55.80-55.82 | 3-4c dis | −0.75 | 16-19 dis | −1.25 |
| Denmark | 9.9570-9.9840 | 9.9750-9.9800 | 1.35-1.85ore dis | −1.93 | 1.75-2.25dis | −0.80 |
| W. Ger. | 2.7410-2.7540 | 2.7485-2.7495 | 0.90-0.85pf pm | 3.82 | 2.62-2.57 pm | 3.78 |
| Portugal | 131.00-131.45 | 131.15-131.45 | 80-220c dis | −13.71 | 300-650dis | −14.47 |
| Spain | 158.15-158.35 | 158.15-158.25 | 140-160c dis | −11.38 | 400-450dis | −10.74 |
| Italy | 1,663-1,666 | 1,663-1,664 | 8½-9 lire dis | −6.30 | 27¾-28 dis | −6.63 |
| Norway | 7.7400-7.7600 | 7.7450-7.7500 | 2.00-2.30ore dis | −3.32 | 5.40-5.70dis | −2.86 |
| France | 8.3330-8.3600 | 8.3525-8.3575 | 1.50-1.70c dis | −2.30 | 4.80-5.30dis | −2.42 |
| Sweden | 8.0450-8.0556 | 8.0450-8.0500 | 0.70-0.90ore dis | −1.19 | 2.55-2.75dis | −1.32 |
| Japan | 234.50-236.65 | 236.45-236.55 | 0.70-0.60y pm | 3.30 | 2.06-1.96 pm | 3.40 |
| Austria | 19.35½-19.39 | 19.36½-19.37½ | 6.70-6.10gro pm | 3.96 | 19½-17½ pm | 3.82 |
| Switz. | 2.1990-2.2160 | 2.2065-2.2075 | 1.10-1.05c pm | 5.84 | 3.18-3.13 pm | 5.71 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.47-56.57.

### EXCHANGE CROSS RATES

| Dec. 9 | Pound St'rling | U.S. Dollar | Deutschem'k | JapaneseYen | FrenchFranc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.436 | 3.948 | 339.5 | 11.993 | 3.168 | 4.420 | 2388. | 1.793 | 80.12 |
| U.S. Dollar | 0.697 | 1. | 2.749 | 236.5 | 8.355 | 2.207 | 3.079 | 1664. | 1.249 | 55.81 |
| Deutschemark | 0.253 | 0.364 | 1. | 86.00 | 3.038 | 0.802 | 1.120 | 604.9 | 0.454 | 20.30 |
| Japanese Yen 1,000 | 2.945 | 4.228 | 11.63 | 1000. | 35.32 | 9.330 | 13.02 | 7034. | 5.281 | 236.0 |
| French Franc 10 | 0.834 | 1.197 | 3.292 | 283.1 | 10. | 2.641 | 3.686 | 1991. | 1.495 | 66.81 |
| Swiss Franc | 0.316 | 0.453 | 1.246 | 107.2 | 3.786 | 1. | 1.395 | 753.9 | 0.566 | 25.29 |
| Dutch Guilder | 0.226 | 0.325 | 0.893 | 76.81 | 2.713 | 0.717 | 1. | 540.3 | 0.406 | 18.13 |
| Italian Lira 1,000 | 0.419 | 0.601 | 1.653 | 142.2 | 5.022 | 1.326 | 1.851 | 1000. | 0.751 | 33.56 |
| Canadian Dollar | 0.558 | 0.801 | 2.202 | 189.3 | 6.689 | 1.767 | 2.465 | 1332. | 1. | 44.68 |
| Belgian Franc 100 | 1.248 | 1.792 | 4.927 | 423.7 | 14.97 | 3.955 | 5.517 | 2981. | 2.238 | 100. |

## MONEY MARKETS

# Firmer rates

UK interest rates were slightly firmer yesterday as the market reacted to sterling's continued weakness against the dollar and higher U.S. interest rates. Three-month interbank money was quoted at 9 7/16 per cent up from 9 11/32 per cent while three-month eligible bank bills were bid at 8 31/32 per cent, unchanged from Thursday.

The Bank of England forecast a shortage of around £100m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £181m and a rise in the note circulation a further £265m. These were partly offset by Exchequer transactions which added £362m to the system. The Bank gave assistance in the morning of £202m, having revised the forecast to a shortage of around £200m.

The Bank bought £18m of eligible bank bills in band 1 (up to 14 days) at 9 1/16 per cent and in band 2 (15-33 days) £25m at 9 per cent. In band 3 (34-63 days) it bought £66m of eligible bank bills at 8 31/32 per cent and in band 4 (64-91 days) £2m of Treasury bills, £23m of local authority bills and £128m of eligible bank bills. There was no further assistance given in the afternoon.

Weekend interbank money opened at 9⅛-9¼ per cent and rose initially to 9¼-9½ per cent before coming back to trade at 9-9¼ per cent for much of the day. Rates fell away to 5 per cent later on and finished at 5-6 per cent.

**UK clearing bank base lending rate 9 per cent (since October 4 and 5)**

### LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

| Dec. 9 1983 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Company Deposits | Market Deposits | Treasury (Buy) | Treasury (Sell) | Eligible Bank (Buy) | Eligible Bank (Sell) | Fine Trade (Buy) |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 6-9⅛ | 9-9¼ | 7-9½ | 6-9 | — | — | — | — | — |
| 2 days notice | — | — | 8⅞-9 | — | — | — | — | — | — | — |
| 7 days or | — | — | — | — | — | — | — | — | — | — |
| 7 day notice | — | 8⅞-9¼ | 8⅞-9⅛ | 9¼-9½ | 9 | — | — | — | — | — |
| One month | [illegible] | 9⅛-9¼ | 9⅛ | 9¼-9½ | 9 | [illegible] | 8 31/32-9 | [illegible] | 9 | [illegible] |
| Two months | [illegible] | 9¼-9⅜ | [illegible] | 9⅝ | 9 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Three months | 9⅜-[illegible] | 9⅜-9½ | 9⅜ | 9¾ | 9 | 8⅞ | [illegible] | [illegible] | 8⅞ | [illegible] |
| Six months | [illegible] | 9⅝-9¾ | 9⅝ | — | — | — | — | [illegible] | [illegible] | [illegible] |
| Nine months | [illegible] | [illegible]-10 | 9⅝ | — | — | — | — | — | — | — |
| One year | [illegible] | [illegible]-10 | [illegible] | — | — | — | — | — | — | — |

| | Local Auth. negotiable bonds | Local Authority Deposits | Finance House Deposits | $ Certs of Deposits | SDR Linked Deposits | ECU Linked Deposits |
|---|---|---|---|---|---|---|
| One month | 9¾-9⅛ | — | 9¼ | 9.75-9.85 | [illegible] | [illegible]-9¼ |
| Two months | 9⅝-9⅜ | — | [illegible] | 9.75-9.85 | 9-9⅜ | 9-9⅜ |
| Three months | 9⅝-9⅜ | — | 9⅜ | 9.85-9.95 | [illegible] | 9⅛-9½ |
| Six months | 9½-9⅛ | — | 9⅝ | 10.00-10.02 | 9¼-9⅝ | [illegible] |
| Nine months | 10-9⅝ | — | [illegible] | 10.25-10.45 | — | — |
| One year | 10-9⅝ | — | [illegible] | 10.55-10.70 | [illegible] | 9¾-10⅛ |
| Two years | — | 10⅜ | — | — | — | — |
| Three years | — | 10½ | — | — | — | — |
| Four years | — | 10¾ | — | — | — | — |
| Five years | — | 10⅞ | — | — | — | — |

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 2 to December 6 1983 (inclusive) 9.350 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8843 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-six month 9¾ per cent; six-12 month 10 per cent. Under £100,000 9¼ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

### FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 am December 9)

3 months U.S. dollars

bid 10 1/8 | offer 10¼

6 months U.S. dollars

bid 10 5/8 | offer 10½

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| Dec. 9 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Kroner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 9⅛-9¼ | 9¼-9⅛ | 9⅞-10 | 6-6⅛ | 1⅞-2 | 6½-5⅝ | 11¾-12 | 15¼-16¼ | 9-9½ | 9-9½ | [illegible] | [illegible] |
| 7 day's notice | 9-9¼ | 9⅝-9⅝ | 10¼-10⅜ | 6-6⅛ | 2-2¼ | [illegible] | 11¾-12 | 16¼-16¼ | 10¼-10¾ | 10-10½ | [illegible] | 11⅝-12⅛ |
| Month | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 12-12¼ | 16-16½ | 10½-11 | 10½-10¾ | [illegible] | [illegible] |
| Three months | 9⅜-9½ | 10-10¼ | [illegible] | [illegible] | [illegible] | 6¼-6⅜ | 12⅝-12⅞ | 16¾-17¼ | 11½-11¾ | 11⅛-11⅜ | 6⅝-6¾ | [illegible] |
| Six months | [illegible] | 10⅜-10⅝ | [illegible] | 6½-6⅝ | [illegible] | [illegible] | 13⅝-13⅞ | 17¾-18¼ | 11⅝-11⅞ | 11¼-11½ | [illegible] | [illegible] |
| One year | [illegible] | 10⅝-10⅞ | [illegible] | [illegible] | 4⅛-4⅜ | 6½-6⅝ | 14-14¼ | 18⅛-18⅞ | 11½-12 | 11⅜-11⅝ | [illegible] | [illegible] |

Asian $ (closing rates in Singapore): Short-term 9¼-9⅜ per cent; seven days 9⅜-9½ per cent; one month 10-10⅛ per cent; three months 10⅛-10¼ per cent; six months 10⅜-10½ per cent; one year 10⅝-10¾ per cent. Long-term Eurodollars two years 11⅛-11⅜ per cent; three years 11¼-12 per cent; four years 12-12½ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two years 11¼-12½ per cent; three years 11¼-12 per cent; four years 12-12½

# COMMODITIES AND AGRICULTURE

## WEEKLY PRICE CHANGES

| | Latest prices per tonne unless stated | Ch'nge on week | Year ago | 1983 High | 1983 Low |
|---|---|---|---|---|---|
| **OTHER COMMODITIES** | | | | | |
| Cocoa Shipments § | £1,647 | +155 | £1,058 | | |
| Cocoa Futures Mar. | £1,787 | +148.5 | £1,017 | | |
| Coffee Futures Mar. | £1,957.5 | +52 | £1,608 | | |
| Cotton Index | 89.80c | +0.55 | 69.15c | | |
| Des. Coconut | $980 | +20 | $465 | | |
| Gas Oil Fut. Jan. | $243.5 | −3.75 | $287 | | |
| Jute L/A BWC grade | | — | £225 | | |
| Rubber kilo | 84.50p | +2.00 | 51p | | |
| Sago Pearl | £280v | — | £235 | | |
| Sisal No. 3L | $650v | — | $650 | | |
| Sugar (Raw) | £134.5v | −3.5 | £101 | | |
| Tapioca No. 1 | £315v | — | £250 | | |
| Tea (quality) kilo | 278p | — | 145p | | |
| (low med.) kilo | 225p | −8 | | | |
| Wooltops 64s Warp | 411p kilo | +5 | 378p kilo | | |

† Unq. (z) Jan. (y) Mar. (v) Dec-Jan. (w) Jan-Feb. (g) Madagascar. § Ghana cocoa.

## LONDON OIL

Prices opened about $1.00 lower and traded very thinly in a narrow range. Traders were unmoved by the announcement from Opec and found nothing else to influence them.

Crude oil weakened in quiet volume, reports Premier Man.

### SPOT PRICES

| | Latest | Change + or − |
|---|---|---|
| **CRUDE OIL—FOB ($ per barrel)** | | |
| Arabian Light | 28.15-28.25 | −0.07 |
| Iranian Light | 27.95-28.05 | +0.05 |
| Arab Heavy | 26.10-26.30 | −0.10 |
| North Sea (Forties) | 28.45-28.75 | +0.13 |
| North Sea (Brent) | 28.55-28.75 | +0.15 |
| African (Bonny Li'ht) | 28.75-29.00 | −0.025 |
| **PRODUCTS—North West Europe CIF ($ per tonne)** | | |
| Premium gasoline | 275-283 | −0.5 |
| Gas oil | 244-253 | +1.5 |
| Heavy fuel oil | 158-172 | — |

## GOLD MARKETS

Gold fell $13¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $388¼-389¼. The metal opened at $389¾-390¼ and traded between a high of $391-391½ and a low of $386¼-387¼. Volume eased during the afternoon although attempts to push gold lower met with renewed buying interest.

## REVIEW OF THE WEEK

# Cocoa price lifted to 4¾-year high

BY OUR COMMODITIES STAFF

DEEPENING FEARS about West African crop prospects, coupled with the weakness of sterling against the dollar, pushed nearby cocoa prices on the London futures market to the highest level since March 1979. The March position ended the week £148.50 up at £1,787 a tonne.

Ideas about the 1983/84 crop in the Ivory Coast, the world's biggest producer, have been revised down to 350-375,000 tonnes from 400,000 tonnes or more, while some analysts now expect the Ghana crop (178,000 tonnes in 1982/83) to be below 120,000 tonnes.

On balance the 1983/84 world cocoa crop is now expected by many analysts to fall short of demand by some 50,000 tonnes.

Coffee prices also rose this week though there was no fundamental news to explain the movement. The March futures position on the London market ended £62 up at £1,967.50 a tonne based mainly on chartist buying and sterling's fall.

Dealers said they did not expect prices to fall back as charts remained "constructive" and long positions were in "strong hands." They thought concern about the quality of Brazil's rain-affected crop was a background feature in the rise.

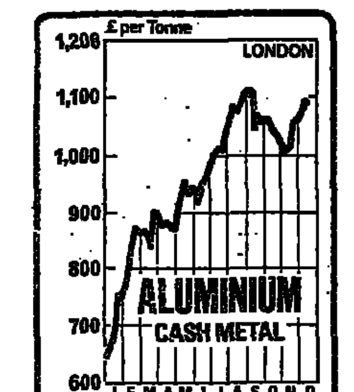
Natural rubber prices remained firm with an expected increase in Japanese purchases remaining a major factor. The RSS No 1 spot position on the London physical market ended 2p up at £84.50 a kilo.

Sugar values also moved somewhat higher early in the week before being trimmed back. The May quotation on the London futures market ended £0.05 up at £165.25 a tonne while the London daily raw sugar price fell £3.50 on balance at £134.50 a tonne.

In its latest estimate of the world supply/demand balance the U.S. Department of Agriculture said 1983/84 consumption was likely to rise 2 per cent to 93.9m tonnes reflecting increased usage in Latin America, Africa, the Middle East and Asia. It estimated production at 94.7m tonnes.

Base metals prices on the London Metal Exchange fell back yesterday after moving higher in the earlier part of the week. Cash high grade copper reached £1,009 a tonne at one stage but was trimmed back yesterday to £999.50 a tonne £2 up on the week. The fall was attributed to carry-over selling from the weaker precious metals markets coupled with expectations of increased U.S. interest rates, which would tend to slow any recovery in industrial activity.

The earlier rise was encouraged by sterling's weakness and last week's fall in LME warehouse stocks of copper. Though the stocks total went down by only 100 tonnes to 425,200 tonnes the fall was the first in 18 weeks and may therefore have had a disproportionate sentimental effect on the market trend.




Other metals followed copper's pattern, and for much the same reasons. Notable among them was cash aluminium, which gained £29.75 a tonne before being trimmed back £2 yesterday to end the week £27.75 higher at £1,093.50 a tonne.

The zinc market was also relatively firm with the cash LME quotation reaching £599 before slipping back to end the week £4.75 up at £591.75 a tonne.

## BASE METALS

Amalgamated Metal Trading reported that in the morning higher grade cash copper traded at £990. Three months £1,015, 14.50. Cathodes: Three months £998, 97. Kerb: Higher Grade: Three months £1,018, 19. Afternoon: Higher Grade: Three months £1,023, 24, 23, 22.50, 22, 22.5, 22, 22.5, 24, 24.5, 24, 23.5, 24. Kerb: Higher Grade: Three months ...

... £606, 06.50, 08, 07, 05.50, 08. Kerb: Three months £607.50, 08, 07, 06.50, 06.75. Turnover: 8,850 tonnes.

### ALUMINIUM

Aluminium—Morning: Three months £1,112, 13.50, 14, 14.50, 14, 13.50, 13, 12.50. Kerb: Three months £1,113, 14, 15. Afternoon: Three months £1,122, 21, 20.50, 20, 21, 20, 19.50, 20, 20.50, ...

Sales: 8,287 (11,487) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound). Daily price for Dec 9: 112.89 (111.66); five-day average for Dec 12: 110.03 (108.44).

### COFFEE

## AMERICAN MARKETS

NEW YORK, December 9.

PRECIOUS METALS RECOVERED from early losses late in the session on short-covering and evening-up before the weekend; gold generally acted firmer than silver because it was more oversold from the technical point of view. Copper rallied after opening sharply lower and finished moderately higher on strong technical support when prices resisted further downward pressure; the technical support attracted light speculative buying. Aluminium maintained stable to firm prices on prospects of continued economic recovery and good underlying demand. Cocoa advanced sharply on renewed manufacturer buying in anticipation of an increase in the production deficit in relation to current demand. Coffee prices were firm to strong on stop-loss buying on reports that Colombia will offer less favourable price concessions and terms to roasters for next year. Cotton prices firmed following a constructive export sales report; trade expectations are for a final crop estimate showing little change while commission houses expect a sharp reduction. Sugar prices were moderately higher on light evening-up ahead of the weekend. Heating oil was quiet, lacking fresh news, dominated by local trading; the trade is waiting for indications that Opec countries will live up to their new agreement. The soyabean market reversed, making up all losses suffered on Thursday's close; support developed in the market on reports of continued dryness in Argentina and Brazil. Maize and wheat finished fractionally lower in very light trading, reported Heinold Commodities.

### NEW YORK

COCOA 10 tonnes, $/tonnes

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 2405 | 2417 | 2378 | 2348 |
| March | 2440 | 2440 | 2392 | 2357 |
| May | 2437 | 2437 | 2390 | 2356 |
| July | 2418 | 2418 | 2385 | 2353 |
| Sept | 2400 | 2405 | 2375 | 2345 |
| Dec | 2360 | 2380 | 2350 | 2330 |

COFFEE "C" 37,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 153.31 | 53.40 | 52.50 | 52.85 |
| March | 148.53 | 48.69 | 46.49 | 48.32 |
| May | 142.82 | 42.85 | 41.05 | 41.02 |
| July | 139.52 | 39.70 | 38.10 | 38.20 |
| Sept | 136.40 | 36.40 | 35.30 | 35.69 |
| Dec | 133.75 | 33.25 | 33.25 | 33.00 |
| March | 133.13 | 32.00 | 32.00 | 32.00 |

SILVER 5,000 troy oz, cents/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 937.7 | 947.0 | 927.0 | 941.0 |
| Jan | 942.7 | 938.0 | 938.0 | 950.5 |
| Feb | 950.3 | 942.0 | 942.0 | 957.0 |
| March | 958.0 | 969.0 | 942.0 | 966.0 |
| May | 974.5 | 983.0 | 958.0 | 983.7 |
| July | 991.5 | 1001.0 | 982.0 | 1001.5 |
| Sept | 1008.8 | 1020.0 | 993.0 | 1019.6 |
| Dec | 1034.8 | 1040.5 | 1018.0 | 1047.8 |
| Jan | 1043.8 | 1035.0 | 1025.0 | 1057.1 |
| March | 1061.8 | 1071.0 | 1050.0 | 1075.7 |

# STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous day is given with the relevant date.

‡ Bargains at special prices. ○ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

## UK PUBLIC BOARDS

## COMMONWEALTH GOVT.

## FOREIGN STOCKS
(coupons payable London)

## CORPORATIONS—FOREIGN

## BANKS, DISCOUNT

## BREWERIES

## COMMERCIAL, INDUSTRIAL

### A—B

### C—D

### E—F

### G—H

### I—J—K

### L—M

Kenning Motor 7pcPf (£1) 52½ (7/12)
Kent (GB) Sons 5pcPf 62½p 16 (6/12)
Kraft Prodns (10p) 123 35 40
Kynoch (G. G.) 47 (5/12)

LRC Internatl 10½pcLn 1990-95 £88¼ (6/12).
Ladbroke Wts 183p. 8pcLn 1990-92 £80 (5/12)

### N—O—P

### Q—R—S

### T—U—V

Tioxide Gp 11½pcLn 1991-96 £96¼ (5/12)
Titaghur Jute Factory (£1) 24
Tongaat Corogroup (R0.10) 537 40 (6/12)
Tongaat-Hulett Grp (R1) 5600
Tootal Grp 5pcPf (£1) 38 ½. 4¼pcDb £42. 6¼pcDb 1985-90 £79 (7/12). 7¼pcDb 1985-90 £79½. 7¼pcLn 1989-94 £75 6
Towles (10p) 60 (7/12). A NV (10p) 58
Trafalgar House 7¼pcPf (£1) 60½ 4 (6/12). 7pcDb (£1) 63½ (6/12). 3pcLn ... 2000-05

### W—Y—Z

## FINANCIAL TRUSTS

## INSURANCE

## INVESTMENT TRUSTS

## UNIT TRUSTS

## MINES—MISCELLANEOUS

AMAX Inc 8pcSubDbs 1/1.86 ($100) £30 (7/12)
Anglo Amer Invst Tst 6pcPf (R2) 300
Bisichi Tin (10p) 13½0
Botswana RST 17 (7/12)
Consold Gold Fields 7¼pcLn 1999-2004 £71 (6/12). 8½pcLn 1983-93 £82¼
De Beers Consold 40pcPf (R5) (Reg) £9¼ (5/12). 40pcPf (R5) (Br) (Con 149) £9. 8pc2ndPf (F1) 25
El Oro Mng Expln (10p) 132
Globe Phoenix (12½p) 63
Griqualand West Diamond (R20) 130
M.T.D. (Mangula) (SR1) 15 (2/12)
Minerals Resources Con (SD1.40) $10.35 715p 20 5 30
North Kalgurli Option sub 1 share 48 ½ 9½
Northchart Invsts (R0.10) 11½
Rio Tinto-Zinc Cpn Accumg Ord 585 8 90. 3.325pcAPf (£1) 45 (7/12). 3.5pcBPf (£1) (Reg) 47½ (2/12)

## MINES—SOUTH AFRICAN

African European Invst 6pcPf (R200) £30 (5/12)
Coronation Syndicate (R0.25) 70 2
Eastern Transvaal Cons (R0.50) £15¼ (6/12)
Middle Witwatersrand (Western Areas) 8pc Pf (R1) 20 5
New Central Witwatersrand Areas (R0.50) 565
New Kleinfontein Props. (R0.25) 280 (6/12)
Rand London Coal (R0.50) 20 (7/12)
Trans-Natal Coal Cpn (R0.50) 390 (2/12)
Western Deep Levels Option Ord £9.6 (2/12). 12pcDbs 1966-93 (R1) 44¼ (2/12)

## OIL

British Petroleum 9pc2ndPf (£1) 91
Britoil (10p) 194 6 7 8 9 200
Burmah Oil 7½pcPf (£1) 63½ (7/12). 8pcPf (£1) 68. 7½pcLn 1981-86 £90½
Charterhall New (5p) (Fo/PAL—13/1/84) 70 1 2. New (5p) (Nil Pd—8/12/83) £0.04 0.05 0.06 (6/12)
Conoco 7½pcGtdLn 1987-93 £77 8 (2/12)
Dome Petroleum Com Shs npv 255
ELF UK 12¼pcLn 1991 (£25 pd 22/3/81 £25 ... 6
KCA Internl 10pc2ndPf 17½ 8½ 9 (7/12) (7/12)
London Scottish Marine Oil 9½pcPf (£1) (Fo/AL—9/12/83) 112¼ (7/12)
Petroleos Mexicanos 14½pcLn 2006 £79¼ (7/12)
Shell Transport Trdg 5½pc1stPf (£1) 54 (7/12). 7pc2ndPf (£1) 70½

## PROPERTY

Alliance 7¼pc1stDb 1986-91 £83¼ (2/12)
Allied London 10pcPf (£1) 120 (2/12). 8½pcLn 1999 £148 (7/12)
Allnatt London 6¼pc1stDb 1988-93 £72 3 (2/12)
Argyle Secs 10½pcDb 1992-97 £79¾. 12pcDb 1993-98 £101½ (6/12)
Arndale Prop Tst 6¾pcLn 1984-89 £77½
Atlantic Metrop (UK) 12pcCnvLn 1991-97 £107 (7/12)
Bradford Prop Tst 10½pcPf (£1) 117½
British Land 12pcLn 2002 £321
Brixton Est 6¼pc1stDb 1988-91 £74 (5/12). 9pc1stDb 1992-97 £83¼ (7/12)
Capital Counties 4.2pcPf (£1) 46½ (5/12). 9¼pcLn 1991-96 £85½
Centrovincial Ests 6¾pcLn 1988-93 £64½ (7/12)
Charlwood Alliance Hldgs 7½pcLn (50p) 32 ½
Churchbury Ests 9pcLn 2000 £75
Country New Town Props (10p) 70 1 2
Dares Ests 6¼pc1stDb 1988-93 £75 (6/12)
English Prop Con 7¾pc1stDb 1997-2002 £89½ (5/12). 7pcLn 1998-2003 £58½. 12pcCnvLn 2000-05 £119
Espley-Tyas Prop Gp 11½pcCnvLn 1988 £99 100
Estates Prop Invst 7¼pcLn 1989-92 £75¼ (5/12)
Five Oaks Invsts 7pc2ndPf (£1) 35 (5/12)
Guildhall Prop 130 (7/12)
Hales Props Gp 85 (5/12)
Hammerson Prop Inv Dev Con 810
Haslemere Ests 9pcCnvLn 2001-06 £128½ 9½. 9½pcCnvLn 1990-95 £208
Heron Con 10¾pc1stDb 1996-2001 £96 (5/12)
House Prop Co London (50p) 190
Land Securities 6pc 1stDb 1988-93 £70¼ (7/12). 6¼pc1stDb 1993-98 £66¾. 9pc 1stDb 1996-2001 £85¾ 6½. 8½pcLn 1992-97 £80 ½ 1 ½

## PLANTATIONS

## RAILWAYS

## SHIPPING

## UTILITIES

## WATERWORKS

North Surrey Water 9¼pcDb 1994-96 £84 (2/12)
Portsmouth Water 3.5pc (fmly 5pc) £38 (5/12)
Rickmansworth & Uxbridge Valley Water 2.8pc (fmly 4pc)Pf £30. 4pcDb £28½ (7/12)
Sth Staffordshire Waterworks 4.9pc (fmly 7pc Class A £52½. 4.9pc (fmly 7pc) Class B £54 (7/12). 4.9pc (fmly 7pc) Class C £52½. 3.5pc (fmly 5pc)Pf £44¾ (5/12). 7pcPf 1987-89 £103 (5/12)
Sunderland & South Shields Water 3.5c (fmly 5pc) £41 (7/12). 3.5pc (fmly 5pc) £39 40¼ (5/12). 2.8pc (fmly 4pc)Pf £34 (5/12). 4.2pc (fmly 6pc) Pf 1986-88 £81¼ (7/12)
West Hampshire Water 5pcDb £31 (7/12)
West Kent Water 4.025pc (fmly 5¾pc)Pf 1983-86 £88½ (5/12). 10pcDb 1993-95 £88 (5/12). 12½pcDb 1986 £102¼ (6/12) (6/12)

## UNLISTED SECURITIES MARKET

No. of bargains included 1070
Acorn Computer Gp (1p) 116 7 8 9 20
Aspinall Hldgs New (10p) (fp/LA&RC-13/12/83) 140 2 4 5
Berkeley & Hay Hill Invest (10p) 9½
Biomechanics Internatl (10p) 80
Browmaker New (1p) (fp/LA-21/12/83) 31 2 3 4
City Site Ests 10pcPf (20p) 37 9
Cluff Oil B (25p) 90 2 4 (7/12)
Cobra Emerald Mines Shs npv 99 100
Edinburgh Fund Managers New (5p) (fp LA-16/12/83) 85 6 6
Eldridge Pope A (£1) 683
Federated Housing New (5p) (fp/AL-14/12/83) 48 (6/12)
Flextech (10p) 133 4 5 7
Flogas (Ir£0.10) 63
French Connection Gp New (5p) (fp/LA-16/12/83) 125 6 7 8
Fuller Smith & Turner A (£1) 440 (6/12)
Gilbert House Invest (10p) 21○
Gould (Laurence) (25p) 108
Imtec Gp (10p) 77 (7/12)
Intervision Video (Hldgs) 7pcPf (£1) 95 (6/12)
Laidlaw Gp (10p) 47 (6/12)
London & Continental Advert Hldgs (5p) 42. 11½pcLn 1995-2002 £175
London & Manchester Securities 10pcDb 1993-95 £87 (6/12)
MME Facilities (10p) 39½ 40 ½. New (10p) (fp/LA-20/1/84) 39 ½ 40 ½ 1 ½ 2
Mebon New (10p) (fp/LA-16/1/84) 92 3 4 5
New Court Natural Resources Wts to sub for Ord 5 (5/12)
Page (Michael) Partnership New (5p) (fp) 107 8 9 10
Pericom New (10p) (fp) 150 2 3 3 6 7 8 9 ½ 60 1 2
Peters (Michael) 98. New (fp) 95○
Protimeter New (5p) (fp) 29 ½ 30½ 1
Rivlin (J D & S) Hldgs (5p) 58 9 60 1
Swindon Private Hospital (£1) 110
Tay Homes New (25p) (fp/LA-13/1/84) 91
Technology for Business (10p) 72
Thorpac Gp (5p) 43 (5/12)
Townrade Secs (20p) 35 (6/12)
United Friendly Insurance B (10p) 220 25 (6/12)
V W Thermax (25p) 135 6 7 8 8 9 40 40 2. New (25p) (fp/LA-16/12/83) 135 7 8 40
Woodchester Invest New (Ir£0.20) (f/RC-9/12/83) 167

## RULE 163 (4) (a)

**Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.**

ACI Intnl 112 (6/12)
AOG Minerals 15
Abrolhos Oil and Inv 50
Acmex Hldgs 52
AECI Ord £50 (2/12)
Agnico-Eagle Mines £10½
Air Products and Chemicals £32 (2/12)
Alliance Oil Development 54
American Can Co £33½○ (6/12)
Ampol Exoln 216○
Ampol 117 (7/12)

Continued on Page 17

## Authorised Units—continued

## Offshore and Overseas—continued

## Insurances—continued

هكذا من الأصل

# Mattel remains deeply in red

By Paul Taylor in New York

MATTEL, THE U.S. toy manufacturer, which has been hard hit by its troubled electronic games division, remained deeply in the red in the third quarter.

The company said it lost $46.3m in the latest quarter, compared with net earnings of $28.3m, or $1.31 a share, in the same period of last year, on sales which plunged 31.3 per cent to $329.6m, from $479.7m. The 1982 profit came after $7.5m in expenses related to plant closings.

The latest quarterly loss is Mattel's fourth consecutive loss. It follows a first quarter loss of $20.4m and a disastrous second quarter loss of $156.1m bringing total losses in the first nine months this year to $222.8m, or $12.39 a share, on sales of $754m. Last time there was a nine-month profit of $62.58m or $2.83 a share, on sales of $1.1bn.

The company, products of which include the highly successful "Barbie Doll," had been expanding rapidly, fueled, in part, by booming video game products, in 1981 and 1982.

Since then it has seen its earnings plunge because of fierce price discounting in a crumbling video games market.

Last month Mattel confirmed that it is considering selling its children's books division, Western Publishing — which it acquired four years ago for $120m—in order to raise cash and shore-up its sagging balance sheet.

The company has also been considering a public offering of part of the stock of its still profitable toy division.

Sales include $27.4m for the latest quarter, and $52.9m for the nine months, from electronics.

The nine-month loss is after $8.5m pre-tax charge for revaluation of fixed entertainment assets and there was a tax benefit of $5.2m in quarter and $22.1m in nine months.

# Suzuki hopes to double car sales in Europe

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SUZUKI, the Japanese motor cycle and small car producer, aims to double its car sales in Europe—with a little help from General Motors, the world's largest automotive group.

Spearheading the renewed attack on European markets is a new hatchback called the Cultus in Japan, and the SA310 in Europe where it is given its formal launch today.

GM encouraged Suzuki to produce the car—which is the same size as the U.S. group's European Opel Corsa-Vauxhall Nova—by undertaking to sell at least 70,000 a year in the U.S. where the model will have a Chevrolet badge.

To cement the deal, GM pumped Y8.6bn ($36m) into Suzuki in exchange for 5.3 per cent of the Japanese company's equity.

Suzuki subsequently has spent Y40bn ($171m) for a new assembly plant exclusively for the SA310 at Kosai near Tokyo.

A further Y6.5bn went on the development of an entirely new lightweight (63 kg) three-cylinder, four-stroke engine which contains 36 per cent aluminium by weight, and Y4.5bn was spent on the aerodynamic, hatchback body.

Suzuki insists that the only GM help it received was with the body design.

The new car brings Suzuki much more into the mainstream of the industry because up to now it has produced very small, "micro" cars, commercial vehicles and four-wheel-drive models.

Capacity of the new Kosai plant is 10,000 a month on two shifts or 120,000 a year, compared with the 113,881 cars Suzuki produced in 1982 and its total four-wheel vehicle output of 603,000 last year.

Suzuki hopes to sell 3,000 of the new cars each month in Japan and export 2,000 a month to markets outside the U.S.

Of that export total, 1,600 a month are destined for Europe so that, if Suzuki hits its target, car sales in Europe would double: Suzuki's car registrations totalled 19,600 last year.

Suzuki's best European four-wheeler markets are the Netherlands, West Germany and Belgium. It has now begun to investigate whether it could expand sales in Scandinavia where it already does well in Finland and Iceland.

However, Suzuki faces a major problem in the U.S. The Japanese Government has agreed to limit car exports to the States to 1.8m next year, compared with 1.68m in 1983.

In normal circumstances Suzuki would not be entitled to any part of this quota as it has not, so far, sold any cars in the U.S. Also the Japanese Ministry of Trade and Industry has still to give its decision on whether shipments to GM — due to begin in April — can go ahead.

If, as seems likely, the Japanese authorities give Suzuki approval and, if exports to GM reach the agreed level, the Kosai plant would have to work well above its nominal capacity to cope with targetted sales in Japan, Europe and other export markets. But Suzuki says this can be achieved by overtime and other changes to working practices.

# Return to profit at Rossignol confirmed

By David Housego in Paris

**SKIS ROSSIGNOL, the French sports equipment manufacturer, sees its turnaround into profit being confirmed this year with net earnings rising sharply to about FFr 25m ($3m).**

**This follows a small profit of FFr 2.4m in 1982-83 and losses for 1981-82 of FFr 27m. The dip into the red followed a contraction of the ski market particularly in the U.S. and two poor years of snow.**

**First half consolidated results for the period April 1-September 30 show a 57 per cent increase in net profits before investment provisions to FFr 89.6m. This is on the base of a 32 per cent increase in turnover to FFr 494.6m. The company warns however that its first half results do not include certain charges.**

**M. Laurent Boix-Vives, the chairman, said that ski sales, likely to represent 73 per cent of group turnover, were expected to be above the initially estimated FFr 700m for the year. Ski sales in volume terms are runing at about last year's level.**

**The newly developed tennis racket activities of the group, M. Boix-Vives said, were progressing well in Europe and Japan. Racket sales now account for some 10 per cent of turnover.**

**M. Boix-Vive said that Rossignol Ski Company's U.S. subsidiary, which ceased production for a while to permit restructuring, was now on the road to recovery.**

**Skis Rossignol is one of the rare Cinderella stories of French industry. Pioneering the use of fibre-glass it was an instant glamour stock from the moment it launched its shares on the Paris bourse in 1971.**

# Elders offers cash option for CUB

BY OUR FINANCIAL STAFF

ELDERS-IXL, the Australian pastoral and financial major, has announced that it is offering A$3.82 (U.S.$3.48) for each share in Carlton United Breweries (CUB), the leading beer producer, as a cash alternative to its existing offer.

Last week Elders was pushed into bidding for CUB, which holds just less than half of the outstanding shares of the diversified wool broking and finance group, when Mr Ron Brierley's investment holding company, Industrial Equity, made a A$3.30 per share offer. Elders original counter-bid was for six shares plus A$12.20 in cash for every ten fully paid up CUB shares.

Yesterday's announcement of the cash alternative came from stockbrokers Roach Tilley Grice and Co. who are acting on behalf of Elder's wholly owned subsidiary Henry Jones Investments. The offer is to stand for a month beginning after the Christmas break.

The cash offer from Elders saw the volume of trading on the Sydney exchange yesterday leap to 74.5m shares, compared with 38.7m on Thursday, valued at A$180m. The price of CUB shares rose rapidly to match the new offer level, by 27 cents to close at A$3.82. During the day some 36m CUB shares changed hands—most of them purchased by Elders.

With the takeover bid for CUB gathering pace the company's board have announced that they are seeking the approval of the National Companies and Securities Commission to release information on the group's profitability ahead of the normal date for interim results in January. The information could be made available sometime over this weekend.

● Australian retail group Myer Emporium said it plans to raise A$30m through an issue of unsecured notes, reports AP-DJ from Melbourne.

The money will be used for general working capital and it will accept oversubscriptions of up to A$20m.

The five-year notes with a par value of A$500 carry an interest rate of 13 per cent and would be repaid at par in January 1989.

# Yamaha takes 10% stake in Motobecane

By David Marsh in Paris

YAMAHA, the Japanese motor cycle manufacturer, is to take a 10 per cent stake in a new company taking over the assets of Motobecane, the bankrupt French moped maker, as part of a financial rescue package just agreed with the Paris Government.

The Brazilian cycle company Caloi Monarch is also taking an equity participation in the new Motobecane company under a capital reconstruction organised by the Government's inter-ministerial committee, Ciri, for helping companies in distress.

Motobecane has been in a limbo for several months, kept alive by advances from its main banks, Banque Nationale de Paris and Societe Generale, after it filed for bankruptcy in February.

The new company, to come into being from January 1, will have a capital of FFr 50m ($6m). Other shareholders include major French insurance groups and the regional development agency of the Picardy area of N.E. France.

As part of the restructuring, 440 of Motobecane's roughly 2,500 workforce will lose their jobs through a mixture of redundancies and early retirements.

Yamaha has agreed to technical collaboration with the new company and will help Motobecane produce a new motor scooter. Motobecane's long-standing financial difficulties came to a head 10 months ago when its previous chairman, M Jean-Claude Noblet—part of the family group which helped build up the company — resigned after the Government turned down a restructuring plan.

The new chairman, M. Guy Blanc, hopes the reconstructed Motobecane will break even in 1984 after losses totalling FFr 160m in 1982.

# Ford to spend $200m on Rouge Steel works

BY OUR NEW YORK STAFF

FORD MOTOR, the major U.S. carmaker, is to spend $200m upgrading its Rouge Steel works which earlier this year it was trying to sell.

The move is seen as part of an agreement Ford made with the united auto workers union in September under which the carmaker agreed to upgrade the aged plant and keep it running in return for between $4.50 and $5 an hour in wage and other concessions from the union.

That agreement followed the breakdown in May of talks between Ford and a Japanese consortium led by Nippon Kokan KK, the Japanese steelmaker, which was considering purchasing the plant.

Ford said yesterday, that as part of a major modernisation programme it will build a continuous slab casting plant with a capacity of 1.8m tons a year —about half Rouge Steel's total steelmaking capacity.

The car giant, which said work on the new plant will start in mid-1986, added that the installation of the new caster will improve product quality and availability

# Amsterdam bank in discussion

By Our Financial Staff

MORGAN Guaranty Trust of the U.S. hopes to take full control of Bank Morgan Labouchere in which it currently has a 50 per cent shareholding.

It is discussing with Amsterdam-Rotterdam Bank the possibility of buying Amro's half share in Morgan Labouchere which has total assets of around $545m.

Morgan Guaranty, a subsidiary of J. P. Morgan said that in 1976 Amro sold a 50 per cent interest in the former Labouchere and Co to the Morgan Bank, which has since then been responsible for its day to day management.

# Agreement near on Japan oil refining joint venture

TOKYO — Maruzen Oil and Daikyo Oil, planning to form an equally owned refining company next March, are expected to conclude an agreement and establish a preparatory committee for the proposed new company next week.

The merger of the refining divisions of the two companies, first announced on October 25, has attracted attention in Japan's petroleum industry because the need to regroup oil refiners has been stressed as the only way to end excessive competition and to help bail out the hard-pressed industry.

The accord between Maruzen and Daikyo would map out a framework for overall business to be undertaken by the new company. The proposed preparatory committee will finalise details of the operation and organisation of the company.

The forthcoming negotiations for the establishment of the new refining company will be focused on the valuation of the assets of the two companies' refining divisions.

The new company will be the third largest refining company in Japan. Only Idemitsu Kosan and Nippon Petroleum Refining will be larger

Kyodo

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED UNIT TRUSTS

## INSURANCES

# Leading shares ease back from record levels but equity index retains 15.8 gain on week at 757.1

**Account Dealing Dates**

**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Nov 28 | Dec 8 | Dec 9 | Dec 19 |
| Dec 12 | Dec 22 | Dec 29 | Jan 9 |
| Dec 30 | Jan 12 | Jan 13 | Jan 23 |

* "New-time" dealings may take place from 9.30 am two business days earlier.

The record-breaking run by London equity markets ran out of steam yesterday, the last day of the trading Account. Sterling's continued weakness, the prospect of high U.S. interest rates for some time and the usual end-Account influences combined *to drag prices away* from their peak levels. Meanwhile, Government Securities became particularly vulnerable and sustained fresh falls ranging to nearly a point in places.

The steady collapse in sterling against the dollar to an all-time low had earlier been largely ignored by investors who chose to take note of the favourable effects as far as UK exporting companies are concerned. Yesterday, however, the inflationary implications began to impinge.

Caution then became the name of the game and institutional investors who had set the recent pace in purchasing leading shares returned to the sidelines, unwilling to commit themselves further, particularly as the Account starting next Monday spans three weeks and embraces the Christmas holiday. Profit-taking yesterday came after an earlier mark-down by jobbers in the wake of Wall Street's overnight decline and most blue-chips closed lower.

The Financial Times Industrial Ordinary share index, which this week firmly established itself above the 750 level for the first time, opened with a 3.7 fall at 10 am which was extended to 5.8 at 3 pm. A late rally left the closing index 3.1 down on the day but still 20.6 up on the Account at 757.1 after having recording an all-time peak of *760.2 on Thursday.*

Government Securities suffered an attack of interest rate and currency jitters. Predictions by a leading Wall Street analyst that U.S. rates could rise sharply before the end of next year, which led to dullness overnight in the U.S. bond market, soon had the same effect on British Funds. Longer-dated stocks closed with falls ranging to [illegible], while shorter maturities ended [illegible] easier. The FT Government Securities index dropped 0.52 to 82.77, its heaviest one-day fall since July 25, and compares with its 1983 peak of 83.70 attained on November 11.

A fall in the gold bullion price to below the $400 an ounce level depressed South African Gold shares which closed with widespread losses of around £2 and left the FT Gold Mines index 25.1 down for a net loss of 13.4 on the week at 567.2.

Down to 698p at one stage in the wake of the company's inconclusive meeting with Allianz, **Eagle Star** attracted support in the late dealings and closed a penny dearer on balance at 710p. Other Composite Insurances, easier initially, showed signs of rallying in the late dealings, but **Phoenix**, which reported disappointing third-quarter results on Wednesday, ended 8 off at 378p. Life issues turned irregular. **Legal and General** hardened a couple of pence to 512p, but **Prudential** softened 4 to 470p.

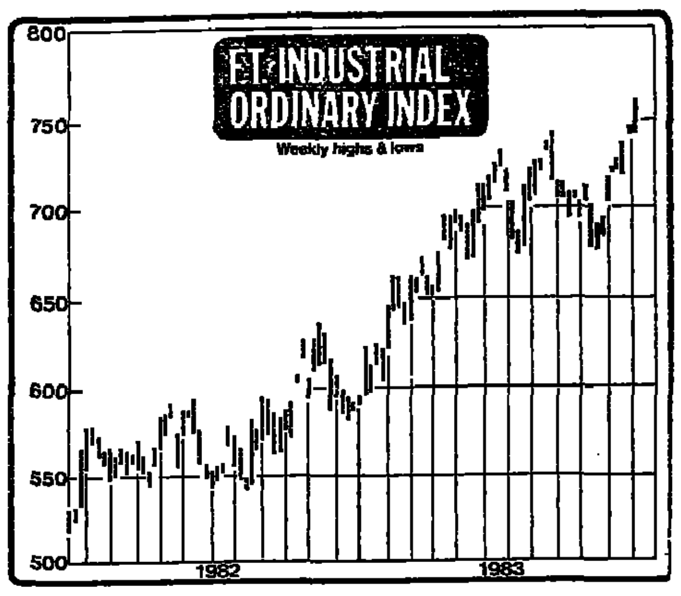
The major clearing banks encountered profit-taking, **Barclays** losing 10 to 493p and **Midland** 8 to 447p. **Lloyds** ended only a couple of pence cheaper on balance at 563p, after 558p. **Bank of Scotland** attracted late support and firmed 12 to 682p, while **Royal Bank of Scotland** rose 6 to 178p.

Funeral services concern **Kenyon Securities** staged a strong debut in the Unlisted Securities Market: the shares opened at 168p and moved up *to 172p compared with the* placing price of 139p. The USM's other newcomer yesterday, **High-Point Services**, a financial management services concern, opened at 138p and settled at 140p compared with the placing price of 137p. **V. W. Thermax** put on 8 to 145p following a broker's visit to the company.

Leading Breweries drifted lower throughout an uninspiring session, although losses in selected counters were reduced by the re-emergence of *institutional* support after the "house" close. **Grand Metropolitan**, down to 340p, rallied to finish unchanged on the day and retaining a rise on the week of 17 at 345p. Investors remained unimpressed by the annual results from **Bass** which exceeded most expectations and the shares dipped to 323p before settling a net 2 cheaper at 328p. Regionals, however, failed to participate in *the late rally with* **Wolverhampton and Dudley**, still unsettled by the disappointing full-year profits easing 4 to sustain a three-day fall of 12 at 242p.

Leading Buildings, easier during the House session, picked up after hours to close virtually unchanged. Elsewhere, **Phoenix Timber** attracted further support ahead of next Thursday's interim results and put on 6 for a two-day gain of 10 to a high for the year of 96p. **Magnet and Southerns**, with half-year figures due next Thursday, hardened a couple of pence more to 168p. Buyers continued to show interest in **Henderson Group** which rose 7 to 170p, but scrappy selling left its mark on **John Finlan and William Leech** which shed 6 apiece to 176p and 66p respectively. Increased losses at the interim stage clipped 2 from **Sheffield Brick**, 17p.

ICI's recent strong run faltered, the shares drifting back on Wall Street influences to close *6 down at 650p.* **Amersham International** eased 3 to 212p, but **James Halstead** hardened 2 to 76p following the chairman's cheerful statement at the annual meeting.




## Executex spurt late

End-Account influences were responsible for a modest setback in major Retailers which drifted lower throughout the day, with an attempted mid-afternoon rally *failing to gain momentum.* **Marks and Spencer**, 218p, **British Home** 227p, and **House of Fraser**, 226p, all shed around 3, while **Burton**, down to 406p earlier, rallied to unchanged at 410p. Renewed fears that the current NGA dispute could escalate to include national titles erased recent gains among Newsagents. **Martin**, due to announce preliminary figures on Monday, fell 11 to 152p, while **NSS**, annual results expected the following day, closed 8 off at 82p. Similar losses were sustained by **John Menzies**, 295p, and **W. H. Smith A**, 140p.

**Northern Goldsmiths** firmed a couple of pence to 198p after acquisition news, while **N. Brown** hardened 3 at 138p on further consideration of the interim results. Long-time takeover favourite **Executex Clothes** again attracted scattered support after-hours and spurted 16 to 56p, while buyers also showed revived interest in **Steinberg**, 9 better at 136p. **I. D. and S. Rivlin**, on the other hand, reacted to profit-taking and fell 8 to 55p; it was announced on Thursday that British Car Auction and Hawley have both increased their holdings in Rivlin.

Leading Electricals were usually a few pence lower, but **BICC** moved against the trend with a rise of 7 to 240p pending the outcome of the Australian currency moves. Secondary issues were featured by a gain of 13 *to 182p in* **Pressac** *and a rise of* 28 to 268p in **Druck** following favourable Press mention. **NEI** encountered a good demand and touched 92½p before settling 4½ higher at 91½p. Interest revived in **United Scientific**, up 8 at 368p, while **Security Centres** improved a similar amount to 263p. **Kode**, in contrast, encountered fresh offerings and gave up 7 to a low for the year of 223p.

Leading Engineers closed a shade easier, but **Hawker** stood out with a fall of 8 to 352p, after showing marked strength earlier in the week following a broker's upward revision in profits estimates for the company. Elsewhere, renewed support in a limited market left **Chemring** 7 up at 565p, but **A. Cohen** encountered further profit-taking and gave up 10 to 350p. **Triefus** dipped 6 to 33p on the increased interim loss, while **Mitchell Somers**, down a penny further at *38p, continued to reflect the* slump in half-year profits.

Losses among the Food leaders were limited to a couple of pence. Elsewhere, **Bishop's Group** attracted support on revived bid hopes, the Ordinary rising 20 to 270p and the A 15p to 230p. **Cliffords Dairies A**, another old bid chestnut, also met with speculative interest and firmed 3 to 103p, while the announcement that C. Robinson and Co had increased its stake in the company to 5.9 per cent lifted **Alpine Soft Drinks** 4 to 31p. **J. E. England** continued its speculative run and touched 29p before profit-taking left the close 2 cheaper on balance at 25p; the Board has received an approach from an unnamed party and is in preliminary negotiations concerning a possible acquisition, but has stated that the recent rise in the company's share price is not justified by immediate prospects. **Bio-Isolates** encountered fresh selling and, in an unwilling market, reacted to a low for the year of 96p before *closing a net 6 lower at 101p.*

Among Hotels and Caterers, fading bid hopes left **Norfolk Capital** 5 lower at 39p. **De Vere Hotels**, still unsettled by the delayed outcome of Selfpost's agreed bid for the company, shed 4 more to 308p for a fall on the week of 32.

## Glaxo lower

Leading miscellaneous industrials, reflecting the overnight reaction on Wall Street, opened lower but soon rallied to close above the worst. Pharmaceutical issues were also unsettled by the proposed £65m cut-back in the National Health Service drug bill. **Glaxo** opened lower at 715p, but rallied to finish 15 down on balance at 730p, while **Beecham** ended 7 off at 318p, after 315p. **Boots**, however, managed a penny gain at 180p, after 175p while **Fisons** finished only 5 down on the day at 745p, after 735p. **Pilkington**, a poor market since the interim figures announced earlier in the week, rallied 5 to 230p. Elsewhere, **Polymark** dipped 9 to 12p on the interim loss, but **BET** helped by news of the Maureen oil field deal, put on 5 to 275p. Still reflecting satisfaction with the half-year results, **Hanson Trust** continued to make progress and edged up 3¼ more to 267½p. *Further sporadic support left* **Morgan Crucible** 5 to the good at 135p, while **Barget** hardened a penny to 42p in response to favourable Press mention. Renewed offerings left **Ecobric** down 5 more at 60p and similar losses were marked against **Highgate Optical**, 85p, and **Kalamazoo**, 43p. **Consultants** fell 30 to 600p and revived selling left **Moben** 3 cheaper at 24p.

Press comment stimulated a *flurry of interest in* **Campari** which put on 5 to 41p, while revived speculative demand lifted **Pavilion Leisure** 10 to 85p.

A particularly strong sector of late following a re-rating by analysts, Properties turned irregular yesterday. **MEPC**, a shade easier initially, picked up to close 3 dearer on balance at a 1983 high of 281p, but **Hammerson A** ended 10 off at 790p. **Stock Conversion**, a rising market recently on talk of a bid from British Land, encountered end-Account profit-taking and shed 11 to 317p. A press suggestion that investors should switch out of **Stewart Nairn** and into **Whittington International** left the former 3 cheaper at 43p, but made no apparent impression on the latter which held at 18p. Elsewhere, buyers were still around for **Rosehaugh** which rose 10 to a high for the year of 290p, while **Gable House**, still reflecting the good preliminary results, added 2 more to 65p.

**P & O** Deferred eased 5 to 243p in a lively business following the announcement that the Monopolies Commission report on the unwelcome bid from Trafalgar House has been extended until February 20.

Financials turned easier and lost most of the gains recorded on Thursday. Falls of 10 were marked against **Mills and Allen**, 365p and **Exco International**, 595p. Stockjobbing concerns also encountered end-Account profit-taking with **Akroyd and Smithers** 15 lower at 450p, and **Smith Bros**, firm recently following share purchases by RIT's New York partner L. F. Rothschild, 4 lower at 77p. In contrast, revived takeover hopes lifted **Britannia Arrow** 3 at 93p, while **M & G** remained firm in front of next Thursday's annual results and hardened 5 more to 615p.

The Opec agreement on prices and production levels failed to reassure sentiment in the Oil market. **Shell** drifted off to close 8 cheaper at 564p and **BP** *recorded a loss of 6 at 392p.* **Lasmo** gave up 7 to 253p, while **Burmah** ended 3 cheaper at 161p. Irish exploration issues were again a relatively lively market, **Atlantic Resources** reacting to 675p at one stage before recovering to close only 15 cheaper on balance at 695p. **Aran** touched 77p, but picked up to close at a peak for the year of 81p, up a penny.

## Golds decline

The sharp fall in overnight gold prices following the previous day's poor performance on Wall Street and fears of even higher U.S. interest rates in the months to come saw bullion open $10 an ounce or so lower in London.

This led to some sizeable marking down of leading South African Golds at the outset, although some small demand *from* South African centres helped to limit the declines in early trading. As bullion slid lower during the day, South African offerings were noted, and London, the Continent and the U.S. all followed suit later.

Prices of the heavyweights were between one and two points lower at the close, and the Gold Mines index fell 25.1 to 567.2. Bullion was finally $13.25 lower at $388.875.

**Vaal Reefs** at £73¾ and **Hartebeest** at £48¾ led the way downwards with declines of 1¾, while falls of 1¾ were common to **Randfontein Estates** at £92¼, **Free State Geduld** at £25¾, **St Helena** at £23¾ and **Western Holdings** at £28½.

**Elandsrand** lost 48p among the medium and lower priced stocks, while **West Rand Consolidated** at 495p, **Grootvlei** at 959p, **Zandpan** at 854p and **East Daggafontein** at *390p were all about 30 lower.*

The gold-based South African Financials were all mostly lower. **Anglo American Gold** closed 2¾ down at £75¾, **Anglo American Corporation**, a point off at £11¾ and **Gold Fields of South Africa**, half a point lower at £14.

Diamonds and Platinums fell in sympathy with the Golds. In the former, "**Anamint**" lost a point to £63 and **De Beers** fell 14 to 534p, while Platinums showed **Rustenburg** 25 poorer at 750p, **Impala** down 15 to 905p and **Lydenburg** 10 lower at 555p.

Elsewhere, **Homestake Mining** of the U.S. gave up 1¼ to £20¾, **Tara** fell 15 to 735p and **Northgate** lost 10 to 370p.

**Consolidated Gold Fields** fell 15 to 518p, after being as low as 515p at one stage, while the other London Financials saw **Rio Tinto-Zinc** lose 10 to 593p after 590p earlier, and **Charter** finally 3 lower at 217p.

The floating of the Australian dollar and the poorer gold price cut several pence from the prices of ladenigA ustirlnaa ...... ... ... of leading Australians. **CRA** were finally 10 off at 354p, **North Broken Hill** fell 16 to 184p, **Peko-Wallsend** lost 14 to 372p and **Western Mining** were 8 lower at 254p.

Among the Golds, **Gold Mines** *of Kalgoorlie lost* 25 to 635p, **Poseidon** 13 to 282p, **Emperor** 10 to 205p and **North Galgurli** 5 to 63p.

Recently strong **Southern Resources** jumped a further 20 to 110p.

Volume in Traded Options declined slightly, although total contracts still amounted to an encouraging 2,642 contracts: Calls traded amounted to 1,876 and puts to 766. The week's daily average was 2,825—the highest for a month.

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Dec 5 | Dec 16 | Mar 8 | Mar 19 |
| Dec 19 | Jan 6 | Mar 22 | Apr 2 |
| Jan 9 | Jan 20 | Apr 2 | Apr 16 |

*For rate indications see end of Share Information Service*

Stocks favoured for the call included **London and Liverpool**, **Aran Energy**, **First National Finance**, **Talbex**, **Brown and Tawse**, **ICL**, **A. G. Stanley**, **GRA**, **Polly Peck**, **Tozer Kemsley and Millbourn**, **Scottish and Newcastle Breweries**, **Aspinall**, **Royal Bank of Scotland**, **James Halstead** and **W. E. Norton**. A put was done in **London and Liverpool**, while doubles were taken out in **Aspinall**, **Aran Energy** and **London and Liverpool**.

## RISES AND FALLS YESTERDAY

| | Yesterday Rises | Yesterday Falls | Yesterday Same | On the week Rises | On the week Falls | On the week Same |
|---|---|---|---|---|---|---|
| British Funds | 2 | 97 | 3 | 162 | 219 | 132 |
| Corpns. Dom. and Foreign Bonds | 2 | 31 | 44 | 36 | 66 | 279 |
| Industrials | 175 | 381 | 841 | 1,303 | 1,295 | 4,387 |
| Financial and Props. | 84 | 126 | 313 | 838 | 312 | 1,465 |
| Oils | 17 | 34 | 65 | 124 | 126 | 330 |
| Plantations | 7 | 2 | 11 | 26 | 9 | 65 |
| Mines | 11 | 100 | 56 | 205 | 246 | 384 |
| Others | 54 | 65 | 66 | 319 | 251 | 302 |
| Totals | 352 | 838 | 1,389 | 3,013 | 2,524 | 7,344 |

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change | Stock | Closing price | Day's change |
|---|---|---|---|---|---|
| Bass | 328 | − 2 | Grand Met | 345 | — |
| Barclays Bank | 493 | −10 | ICI | 650 | − 6 |
| BP | 392 | − 6 | Lloyds Bank | 563 | − 2 |
| CRA | 354 | −10 | Peko-Wallsend | 372 | −14 |
| Cons Gold Fields | 518 | −15 | P. & O. Defd | 243 | − 5 |
| Eagle Star | 710 | + 1 | Phoenix Assurance | 378 | − 8 |

## THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

| Stock | No. of changes | Thurs. close | Day's change | Stock | No. of changes | Thurs. close | Day's change |
|---|---|---|---|---|---|---|---|
| BOC | 25 | 280 | +14 | Sound Diff | 14 | 144 | + 1 |
| Hanson Trust | 17 | 264 | +11 | Tesco | 14 | 171 | + 5 |
| Courtaulds | 16 | 128 | + 3 | Bass | 13 | 330 | — |
| London & Mid | 15 | 123 | +11 | Boots | 13 | 179 | + 2 |
| Amersham Int'l | 14 | 215 | +10 | Pericom | 13 | 161 | +11 |
| Glaxo | 14 | 745 | − 5 | Scot & Nwcstl | 13 | 99½ | — |
| Pilkington Bros | 14 | 225 | −13 | Cns Gold Flds | 12 | 533 | + 6 |

## 5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ended Thursday

| Stock | No. of changes | Last Thurs. close | Change on week | Stock | No. of changes | Last Thurs. close | Change on week |
|---|---|---|---|---|---|---|---|
| Glaxo | 76 | 745 | −25 | BTR | 57 | 415 | +35 |
| Cable & Wire (part paid) | 63 | 102 | + 3* | Bulas Res | 49 | 35 | + 6 |
| Eagle Star | 62 | 709 | +19 | AB Electronic | 48 | 995 | +160 |
| BP (part paid) | 60 | 170 | −20 | Hanson Trust | 48 | 264 | +20 |
| Pilkington Bros | 60 | 225 | −30 | RTZ | 48 | 603 | + 5 |
| BOC | 59 | 280 | −24 | Beecham | 45 | 325 | + 5 |
| ICI | 58 | 656 | +28 | Sound Diff | 44 | 144 | + 2 |

* Based on Monday's opening price.

## FINANCIAL TIMES STOCK INDICES

| | Dec. 9 | Dec. 8 | Dec. 7 | Dec. 6 | Dec. 5 | Dec. 2 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 82.77 | 83.29 | 83.35 | 83.00 | 82.98 | 83.16 | 78.38 |
| Fixed Interest | 86.25 | 86.41 | 86.41 | 86.27 | 86.16 | 86.20 | 80.97 |
| Industrial Ord. | 757.1 | 760.2 | 753.6 | 748.2 | 748.0 | 741.5 | 585.6 |
| Gold Mines | 567.2 | 592.3 | 580.8 | 583.0 | 579.8 | 580.6 | 494.1 |
| Ord. Div. Yield | 4.63 | 4.60 | 4.63 | 4.65 | 4.69 | 4.68 | 5.08 |
| Earnings, Yld.% (full) | 9.46 | 9.45 | 9.53 | 9.58 | 9.66 | 9.68 | 10.88 |
| P/E Ratio (net) (*) | 12.88 | 12.88 | 12.79 | 12.72 | 12.62 | 12.56 | 11.02 |
| Total bargains | 22,620 | 23,109 | 20,046 | 20,734 | 20,045 | 19,915 | 22,380 |
| Equity turnover £m. | — | 297.28 | 308.72 | 219.51 | 227.08 | 243.87 | 210.78 |
| Equity bargains | — | 21,144 | 16,172 | 17,810 | 18,749 | 16,747 | 19,310 |
| Shares traded (ml) | — | 185.6 | 132.3 | 137.4 | 140.6 | 132.6 | 161.8 |

10 am 756.5. 11 am 757.1. Noon 756.0. 1 pm 755.1. 2 pm 755.0. 3 pm 754.4.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974. †Correction.

Latest index 01-246 8026.

Nil=12.10.

## HIGHS AND LOWS

| | 1983 High | 1983 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 83.70 (11/11) | 77.00 (24/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 86.41 (7/12) | 79.03 (1/2) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 760.2 (8/12) | 598.4 (12/1) | 760.2 (8/12/83) | 49.4 (26/6/40) |
| Gold Mines | 734.7 (15/2) | 444.6 (1/11) | 734.7 (15/2/83) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | Dec. 8 | Dec. 7 |
|---|---|---|
| —Daily | | |
| Gilt Edged Bargains | 196.6 | 181.6 |
| Equities Bargains | 157.0 | 117.7 |
| Value | 600.8 | 421.9 |
| 5-day Avrge | | |
| Gilt-Edged Bargains | 179.1 | 172.6 |
| Equities | 120.0 | |
| Bargains | | †115.0 |
| Value | 483.7 | 458.5 |

## NEW HIGHS AND LOWS FOR 1983

### NEW HIGHS (90)

**BRITISH FUNDS (1)**
Fdg. 5½pc '82-84

**AMERICANS (14)**
Bankers Trust N.Y. — Esmark
Browning-Ferris — Gen. Foods Corp.
Campbell Soup — Rexnord Inc.
Caterpillar Trac. — Rockwell Int.
City Inv. — Rohr Inds. Inc.
Colt Inds. — Sun Co. Inc.
Eaton Corp. — United Tech.

**CANADIANS (2)**
Can. Pacific — Trans Can. Pipe

**BANKS (3)**
Bank of Scotland — Union Discount
Royal Bk. of Scot. — Wells Fargo
Schroders

**BUILDINGS (2)**
Marshalls Halifax — Phoenix Timber

**CHEMICALS (1)**
Coalite Group

**STORES (1)**
Executex Clothes

**ELECTRICALS (6)**
A.B. Electronic — Pressac
Dubilier — Real Time Control
Electronic Machine — Toshiba Corp.

**ENGINEERING (1)**
Christy Bros.

**FOODS (3)**
Avana — Hazlewood
England (J. E.)

**INDUSTRIALS (8)**
A.A.H. — Hanson Trust
BOC 9pc Cnv. Uns. Ln 1901-06 — Do. 9¼pc Cnv. 1901-05
Continental Group — Hewitt (J.)
Embart Corp. — Morgan Crucible

**INSURANCE (2)**
American Gen. Cpn. — Travelers

**PAPER (2)**
Bonzl — KLP Group

**PROPERTY (6)**
Gable House Props. — London Shop Prop.
Rosehaugh — Do. 6½pc Cnv. 1984
Slough Ests. 10pc Cnv. 1990 — Do. 8pc Cnv. '94-99

**SHOES (1)**
FII

**TEXTILES (1)**
Courtaulds

**TRUSTS (29)**

**OILS (2)**
Aran Energy — Pict Petroleum

**PLANTATIONS (1)**
Moran Tea

### NEW LOWS (19)

**BUILDINGS (2)**
Lilley (F. J. C.) — Tarmac

**ELECTRICALS (2)**
Kode Int. — Oxford Instruments

**ENGINEERING (1)**
Camseal Inc.

**FOODS (1)**
Barr (A. G.)

**INDUSTRIALS (6)**
Assoc. Brit. Eng. — Polymark Intl.
Assoc. Telecom — Pritchard Services
Parker-Knoll A — Ricardo

**LEISURE (3)**
Samuelson Group — Webb (Joseph)
Tottenham Hotspur

**PAPER (1)**
Geers Gross

**OILS (2)**
Command Pet. — Texas (L.) Pet.

**MINES (1)**
Centennial Minerals

## LEADERS AND LAGGARDS

**Percentage changes since December 31, 1982, based on Thursday, December 8, 1983.**

| | | | |
|---|---|---|---|
| Other Industrial Materials | +63.04 | Overseas Traders | +25.09 |
| Newspapers, Publishing | +61.56 | Food Retailing | +24.32 |
| Chemicals | +60.65 | All-share Index | +22.45 |
| Motors | +55.61 | Mining Finance | +22.17 |
| Shipping and Transport | +52.39 | 500-share Index | +18.50 |
| Packaging and Paper | +47.98 | Industrial Group | +16.04 |
| Textiles | +45.81 | Metals and Metal Forming | +14.85 |
| Insurance (Composite) | +45.75 | Discount Houses | +14.83 |
| Merchant Banks | +44.06 | Consumer Group | +14.35 |
| Other Groups | +43.50 | Stores | +12.76 |
| Banks | +40.54 | Food Manufacturing | +12.19 |
| Insurance (Life) | +39.47 | Health and H'sehold Products | +11.76 |
| Financial Group | +38.29 | Building Materials | +11.35 |
| Office Equipment | +36.48 | Capital Goods | + 8.41 |
| Other Consumer | +34.32 | Mechanical Engineering | + 7.38 |
| Oils | +33.22 | Gold Mines Index | + 6.43 |
| Investment Trusts | +31.28 | Tobaccos | + 4.49 |
| Insurance Brokers | +30.52 | Brewers and Distillers | + 1.71 |
| Property | +29.50 | Engineering Contractors | − 0.35 |
| Leisure | +28.50 | Electricals | − 1.21 |
| | | Contracting, Construction | − 7.87 |

## RECENT ISSUES

### EQUITIES

[illegible]

## FIXED INTEREST STOCKS

[illegible]

## "RIGHTS" OFFERS

[illegible]

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

[illegible]

## FIXED INTEREST

[illegible]

## AVERAGE GROSS REDEMPTION YIELDS

[illegible]

حكمة امة الأصل

مكتاصنا لأصل

# INSURANCE & OVERSEAS MANAGED FUNDS

**Lloyds Life Assurance—cont.**
**Gartmore Funds—Series A**

| | | | | |
|---|---|---|---|---|
| American Nov 22 | 174.8 | 184.1 | ..... | — |
| British Nov 22 | 130.2 | 137.1 | ..... | — |
| Commodity Nov 22 | 127.2 | 133.9 | ..... | — |
| Extra Inc Nov 22 | 120.1 | 126.5 | ..... | — |
| Far Eastern Nov 22 | 107.5 | 113.2 | ..... | — |
| High Inc Nov 22 | 117.4 | 123.6 | ..... | — |
| Income Nov 22 | 147.8 | 155.6 | ..... | — |
| Global Strat. Nov 22 | 177.3 | 186.7 | ..... | — |
| Special Sits Nov 22 | 132.6 | 139.6 | ..... | — |
| Gilt Nov 22 | 105.3 | 110.9 | ..... | — |
| Japan Nov 22 | 167.0 | 175.8 | ..... | — |
| UK Small Co's Nov 22 | 121.9 | 128.4 | ..... | — |
| Man Gvt Nov 22 | 151.6 | 159.6 | ..... | — |
| Austrln. Nov 22 | 116.9 | 123.1 | ..... | — |
| Oil and Energy Nov 22 | 114.4 | 120.5 | ..... | — |
| Gold Share Nov 22 | 78.4 | 82.6 | ..... | — |

**London A'deen & Nthn. Mtl. Assur. Ltd.**
129 Kingsway, London, WC2B 6NF. 01-404 0393

| | | | | |
|---|---|---|---|---|
| 'Asset Builder' | 66.2 | 70.1 | ..... | — |

**London Indemnity & Gnl. Ins. Co. Ltd**
18-20, The Forbury, Reading 583511

| | | | | |
|---|---|---|---|---|
| Money Mngr Dec 1 | 62.4 | 67.3 | ..... | — |
| M/M Flexible Dec 6 | 53.7 | 56.6 | ..... | — |
| Fixed Interest Dec 1 | 56.4 | 59.4 | ..... | — |

**London Life Linked Assur. Ltd.**
100, Temple St., Bristol, BS1 6EA. 0272-279179

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

**London & Manchester Gp.**
Winslade Park, Exeter EX5 1DS. 0392 52155

| | | | | |
|---|---|---|---|---|
| Invest. Tst. Fd. Cap. | 304.4 | — | +1.0 | — |
| Invest. Tst. Fd. Acc. | 324.1 | — | +1.1 | *13.9 |
| Property Fund Cap. | 117.4 | — | +0.1 | — |
| Property Fund Acc. | 124.6 | — | +0.1 | *4.7 |
| Flexible Fund Cap. | 185.6 | — | +0.8 | — |
| Flexible Fund Acc. | 196.9 | — | +0.8 | *5.0 |
| Fixed Int. Fd. Cap. | 141.7 | — | −0.9 | — |
| Fixed Int. Fd. Acc. | 150.6 | — | −0.9 | — |
| Gtd. Deposit Fd. Cap. | 139.3 | — | ..... | — |
| Gtd. Deposit Fd. Acc. | 146.7 | — | ..... | — |
| Equity Fund Cap. | 132.1 | — | +1.0 | — |
| Equity Fund Acc. | 139.8 | — | +1.1 | — |
| International Fd. Cap. | 136.6 | — | −0.1 | — |
| International Fd. Acc. | 144.6 | — | −0.1 | — |
| Capital Gwth. Fd. | 426.5 | — | +2.9 | — |
| Moneymaker Fund | 174.8 | — | +0.5 | — |
| Exempt Inv Tst Cap. | 428.9 | — | +2.5 | — |
| Exempt Inv Tst Acc. | 449.7 | — | +2.7 | — |
| Exempt Inv Tst NS | 446.5 | — | +2.7 | *10.0 |
| Exempt Ppty Cap | 190.1 | — | +0.4 | — |
| Exempt Ppty Acc | 199.5 | — | +0.5 | — |
| Exempt Ppty NS | 198.0 | — | +0.5 | *4.4 |
| Exempt Flex Cap | 250.3 | — | +1.4 | — |
| Exempt Flex Acc. | 262.4 | — | +1.5 | — |
| Exempt Flex NS | 260.5 | — | +1.5 | *5.5 |
| Exempt Equity Cap | 115.6 | — | +1.1 | — |
| Exempt Equity Acc. | 120.9 | — | +1.2 | — |
| Exempt Fxd Int Cap | 108.6 | — | ..... | — |
| Exempt Fxd Int Acc. | 113.7 | — | ..... | — |
| Exempt Gtd Dep Cap. | 104.6 | — | ..... | — |
| Exempt Gtd Dep Acc. | 109.4 | — | ..... | — |

*Addition to price where reduced mngmt. charges apply.

**M & G Group**
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588.

| | | | | |
|---|---|---|---|---|
| American Fund Bond | 131.1 | 137.7 | −1.3 | — |
| American Rec. Bond | 197.0 | 206.9 | −0.7 | — |
| American Smlr Cos Bd. | 87.5 | 91.9 | −0.2 | — |
| Australasian Bond | 115.0 | 120.8 | −1.7 | — |
| Commodity Bond | 124.2 | 130.5 | −0.3 | — |
| Deposit Bond | 180.5 | 189.6 | ..... | — |
| Equity Bond (Acc) | 302.6 | 317.8 | +1.5 | — |
| Extra Yield Fd. Bond | 153.2 | 160.9 | +1.2 | — |
| Far Eastern Bond | 113.0 | 118.8 | −0.3 | — |
| Gilt Bond | 187.3 | 196.8 | ..... | — |
| Gold Bond | 107.8 | 113.3 | +0.8 | — |
| High Yield Bond | 124.3 | 130.6 | +0.8 | 7.00 |
| Index-Linked G: Bd. | 100.8 | 105.9 | +0.1 | — |
| International Bond | 220.8 | 231.9 | −0.7 | — |
| Japan Fund Bond | 103.6 | 108.9 | −0.5 | — |
| Managed Bond | 275.2 | 289.1 | +0.5 | — |
| Property Bond | 244.5 | 256.8 | ..... | — |
| Recovery Fund Bond | 125.8 | 132.2 | −0.1 | — |
| Family Bond | — | 667.6 | ..... | — |
| Personal Pensions | — | 674.3 | +4.6 | — |

**Flexible Pension Funds**

**Property Growth Assur. Co. Ltd.**
Leon House, Croydon CR9 1LU. 01-680 0606

| | | | | |
|---|---|---|---|---|
| Property Fund | | 289.6 | ..... | — |
| Property Fund (A) | | 281.5 | ..... | — |
| Agricultural Fund | | 1,122.5 | ..... | — |
| Agric. Fund (A) | | 1,092.5 | ..... | — |
| Abbey Nat. Fund | | 230.5 | ..... | — |
| Abbey Nat. Fd. (A) | | 229.5 | ..... | — |
| Investment Fund | | 139.8 | ..... | — |
| Investment Fund (A) | | 137.8 | ..... | — |
| Equity Fund | 422.9 | — | −1.4 | — |
| Equity Fund (A) | 414.9 | — | −1.4 | — |
| Money Fund | | 218.2 | +0.2 | — |
| Money Fund (A) | | 214.2 | +0.2 | — |
| Actuarial Fund | | 218.8 | ..... | — |
| Gilt-edged Fund | 193.8 | — | +1.2 | — |
| Gilt-Edged Fd. (A) | 193.8 | — | +1.2 | — |
| Retire Annuity | | 357.4 | ..... | — |
| Immed. Ann'ty | | 191.5 | ..... | — |
| International Fd. | | 265.6 | −4.0 | — |
| Bldg. Soc. Life Fd. | | 105.9 | ..... | — |

**Property Growth Pensions & Annuities Ltd.**

| | | | | |
|---|---|---|---|---|
| All Weather Ac. Uts. | 252.2 | 265.5 | ..... | — |
| Inv. Fd. Uts. | | 278.4 | ..... | — |
| Pension Fd. Uts. | | 256.3 | ..... | — |
| Conv. Pens. Fd. | | 297.6 | ..... | — |
| Cnv. Pns. Cap. Ut. | | 221.6 | ..... | — |
| Man. Pens. Fd. | | 339.2 | ..... | — |
| Man. Pens. Cap. Ut. | | 262.9 | ..... | — |
| Prop. Pens. Fd. | | 284.4 | ..... | — |
| Prop. Pens. Cap. Uts. | | 214.5 | ..... | — |
| Bldg. Soc. Pen. Ut. | | 258.5 | ..... | — |
| Bldg. Soc. Cap. Ut. | | 197.7 | ..... | — |
| Gilts Pens. Fd. | | 173.2 | −1.0 | — |
| Gilts Pens. Fd. Cap. | | 150.7 | −0.7 | — |
| Equity Pens. Fd. | | 259.0 | +1.2 | — |
| Equity Pens. Fd. Cap. | | 225.7 | +1.0 | — |

**Providence Capitol Life Assc. Co. Ltd.**
30 Uxbridge Road, W12 8PG. 01-749 9111

| | | | | |
|---|---|---|---|---|
| Equity Acc. | 106.2 | 112.1 | ..... | — |
| Fixed Interest Acc. | 93.7 | 98.9 | ..... | — |
| Intnl. Acc. | 84.2 | 88.9 | ..... | — |
| Managed Acc. | 93.1 | 98.2 | ..... | — |
| Property Acc. | 113.9 | 120.2 | ..... | — |
| Money Acc. | 74.8 | 79.0 | ..... | — |
| Special Market Acc. | 72.1 | 76.1 | ..... | — |
| Japan Acc. | 66.5 | 70.2 | ..... | — |
| North America Acc. | 73.0 | 77.1 | ..... | — |
| Pacific Acc. | 51.4 | 54.3 | ..... | — |
| Technology Acc. | 71.8 | 75.8 | ..... | — |
| Nat. Resources Acc. | 52.8 | 55.8 | ..... | — |
| Japan Growth Acc. | 94.8 | 100.0 | ..... | — |

**Individual Pension Funds**

| | | | | |
|---|---|---|---|---|
| Equity Acc. | 96.6 | 101.9 | ..... | — |
| Fixed Interest Acc. | 96.0 | 101.3 | ..... | — |
| Intnl. Acc. | 97.2 | 102.6 | ..... | — |
| Managed Acc. | 90.2 | 95.1 | ..... | — |
| Property Acc. | 81.2 | 85.7 | ..... | — |
| Money Acc. | 69.1 | 72.9 | ..... | — |

**Group Pension Funds**

| | | | | |
|---|---|---|---|---|
| Equity | 328.1 | 338.3 | ..... | — |
| Fixed Interest | 269.2 | 277.6 | ..... | — |

**Provident Mutual Life Assc. Assn.**
Willian Rd., Hitchin, Herts, SG4 0LP 0462-52991

| | | | | |
|---|---|---|---|---|
| Managed Ord | 129.2 | 136.0 | −0.7 | — |
| Managed Init | 124.3 | 130.8 | −0.8 | — |
| Equity Ord. | 140.0 | 147.4 | −0.8 | — |
| Equity Init | 134.7 | 141.8 | −0.8 | — |
| Overseas Equity Ord | 146.5 | 154.2 | −1.6 | — |
| Overseas Equity Init | 140.9 | 148.3 | −1.6 | — |
| Property Ord | 102.5 | 107.9 | ..... | — |
| Property Init | 98.6 | 103.8 | ..... | — |
| Fixed Interest Ord | 110.2 | 116.0 | −0.3 | — |
| Fixed Interest Init | 106.0 | 111.6 | −0.3 | — |
| Deposit Ord | 101.8 | 107.2 | +0.1 | — |
| Deposit Init | 97.9 | 103.1 | ..... | — |

**Pension Funds**

| | | | | |
|---|---|---|---|---|
| Managed Ord. | 135.5 | 142.6 | −0.9 | — |
| Managed Init. | 130.4 | 137.3 | −0.7 | — |
| Equity Ord. | 148.2 | 156.0 | −0.9 | — |
| Equity Init. | 142.6 | 150.1 | −0.8 | — |
| Overseas Equity Ord. | 154.4 | 162.5 | −1.9 | — |
| Overseas Equity Init. | 148.5 | 156.3 | −1.9 | — |
| Property Ord. | 105.5 | 111.1 | +0.2 | — |
| Property Init. | 101.5 | 106.8 | ..... | — |
| Fixed Interest Ord. | 112.6 | 118.5 | −0.3 | — |
| Fixed Interest Init. | 108.4 | 114.1 | −0.3 | — |
| Deposit Ord. | 106.4 | 112.0 | ..... | — |

# OFFSHORE AND OVERSEAS

## BRITISH FUNDS

| 1983 High | Low | Stock | Price £ | + or − | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| | | "Shorts" (Lives up to Five Years) | | | | |
| 99⅞ | 96¼ | Funding 5½pc '82-84‡‡ | 99⅞xd | +⅛ | 5.52 | 6.96 |
| 101¼ | 99½ | Exch. 11¼pc 1984 | 100⅛ | ..... | 11.22 | 9.08 |
| 104⅔ | 100⅞ | Exchequer 14pc 1984 | 101⅞ | −⅛ | 13.74 | 9.50 |
| 97⅛ | 92½ | Exch. 3pc 1984 | 97xd | −⅛ | 3.09 | 9.04 |
| 102⅞ | 100⅛ | Treasury 12pc 1984 | 102⅛ | −⅛ | 11.69 | 9.62 |
| 107⅞ | 104⅜ | Treasury 15pc 1985 | 105⅜ | −⅛ | 14.26 | 10.18 |
| 107 | 101⅛ | Exch. 12pc Cnv. '85 | 102⅛ | −⅛ | 11.73 | 9.99 |
| 94 | 88⅝ | Treasury 3pc 1985 | 93⅛ | −⅛ | 3.20 | 7.41 |
| 102½ | 99⅝ | Treasury 11½pc 1985 | 102⅛xd | +⅛ | 11.27 | 10.11 |
| 102 | 95 | Treas 8¾pcCnv '85 | 95⅛ | −⅛ | 8.92 | 9.96 |
| 103¾ | 100⅛ | Exch. 12¼pc 1985 | 103⅛ | −⅛ | 11.09 | 10.41 |
| 102⅝ | 99⅜ | Exch. 11¾pc '85 | 102⅛ | −⅛ | 11.50 | 10.56 |
| 102¼ | 97¼ | Treas 10pc Cnv 1986 | 100⅛ | −½ | 9.93 | 9.59 |
| 88⅞ | 85⅝ | Treasury 3pc 1986 | 88⅛ | −⅛ | 3.39 | 8.28 |
| 101⅞ | 97⅛ | Exch. 10½pc Cv '86 | 100⅝ | −¼ | 10.46 | 10.32 |
| 103⅞ | 100⅛ | Treasury 12pc '86 | 102½xd | −⅛ | 11.71 | 10.81 |
| 97⅛ | 94⅝ | Treasury 8¼pc '84-86‡‡ | 97⅛xd | −¼ | 8.73 | 9.69 |
| 114 | 103¼ | Treas. 12¾pc '86 Cnv. | 109xd | −1 | 11.24 | 8.34 |
| 109⅛ | 105⅛ | Exch. 14pc 1986 | 107⅝ | −¼ | 13.04 | 10.94 |
| 64⅝ | 84½ | Exch 2½pc 1986 | 84⅝ | −⅛ | 2.95 | 8.46 |
| 107¼ | 103⅝ | Exch. 13¼pc 1987 | 105½ | −⅛ | 12.56 | 11.20 |
| 100⅛ | 95⅞ | Treas 10½pc Cnv '87 | 98⅝ | −⅛ | 10.39 | 10.75 |
| 84⅞ | 80¼ | Exchequer 2½pc 1987 | 83⅛ | −⅛ | 3.01 | 8.61 |
| 100⅛ | 95⅛ | Exch. 10½pc 1987 | 96¼ | −⅛ | 10.53 | 10.93 |
| 93¼ | 88¼ | Funding 6½pc '85-87‡‡ | 91⅝ | −½ | 7.09 | 9.45 |
| 98½ | 96 | Treas 10pc 1987 | 97⅛ | −¼ | 10.25 | 10.83 |
| 86 | 80¼ | Treasury 3pc 1987 | 83¼xd | −¼ | 3.60 | 8.51 |
| 104⅝ | 99⅞ | Treas 12pc 1987 | 102⅛ | −⅛ | 11.67 | 11.07 |
| 93¼ | 89⅝ | Treasury 7¾pc '85-88‡‡ | 92⅛ | −¼ | 8.35 | 9.93 |
| 101½ | 95½ | Exch 10½pc '88 | 98⅛ | −¼ | 10.63 | 10.66 |
| 99⅝ | 95⅛ | Treas 9½pc Conv '88 | 96⅛ | −⅛ | 10.07 | 10.54 |
| 81½ | 75¼ | Transport 3pc '78-88 | 81½xd | −⅛ | 3.72 | 8.29 |

### Five to Fifteen Years

### Over Fifteen Years

### Undated

### Index-Linked

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

## LOANS

### Building Societies

## Public Board and Ind.

### Financial

## FOREIGN BONDS & RAILS

## AMERICANS

## CANADIANS

## BANKS, H.P. & LEASING

## BANKS—Continued

### Hire Purchase, Leasing, etc.

## BEERS, WINES & SPIRITS

## BUILDING INDUSTRY, TIMBER AND ROADS

## CHEMICALS, PLASTICS

## DRAPERY AND STORES

## ELECTRICALS

## ENGINEERING

## FOOD, GROCERIES, ETC

## HOTELS AND CATERERS

## INDUSTRIALS (Miscel.)

هكذا منذ الأصل

# LEISURE—Continued

# PROPERTY—Continued

# INVESTMENT TRUSTS—Cont.

# OIL AND GAS—Continued



## MINES—continued

### Australians

| 1983 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 28½ | 13½ | ♥ACM 20c | 19 | ...... | — | — | — |
| 52 | 32 | Allstate Expln NL | 38 | ...... | — | — | — |
| 40 | 9 | ♥Australis Mng. NL | 26 | −1 | — | — | — |
| 25 | 11 | Balmoral Resources | 17 | ...... | — | — | — |
| 60 | 34 | ♥Black Hill Mins. | 39 | −2 | — | — | — |
| 87 | 51 | ♥Bond Corp. | 83 | −2 | Q10c | ♦ | 7.7 |
| 183 | 116 | ♥Bougainville 1 Kina | 164 | −6 | mQ3.21 | 1.2 | 1.2 |
| 374 | 204 | ♥CRA 50c | 354 | −10 | tQ3c | — | 0.5 |
| 145 | 60 | ♥Carr Boyd 20c | 80 | −6 | — | — | — |
| 44 | 25 | ♥Central Kalgoorlie | 40 | ...... | — | — | — |
| 43 | 18 | ♥Central Pacific | 22 | ...... | — | — | — |
| 9 | 2¾ | ♥Cons Gold Mng Area | 3½ | −¼ | — | — | — |
| 17 | 5 | ♥Coopers Res N.L. | 9 | ...... | — | — | — |
| 255 | 183 | ♥Crusader Oil | 204 | ...... | — | — | — |
| 20 | 8 | ♥Cultus Pac NL | 15 | ...... | — | — | — |
| 19 | 7 | ♥Eagle Corp 10c | 10 | −½ | — | — | — |
| 215 | 96 | ♥Emperor Mines | 205 | −10 | — | — | — |
| 14 | 8 | ♥Endeavour 20c | 11½ | ...... | — | — | — |
| 58 | 17 | ♥Enterprise Gld Mines | 29 | ...... | — | — | — |
| 810 | 500 | ♥GM Kalgoorlie 25c. | 635 | −25 | hQ10c | ♦ | 1.0 |
| 24 | 6 | Grt. Eastern Mines | 20 | ...... | — | — | — |
| 17 | 9 | ♥Great Victoria Gold | 14 | ...... | — | — | — |
| 32 | 15½ | ♥Haoma NW | 19 | ...... | — | — | — |
| 92 | 28 | ♥Hill Minerals N.L. | 31 | −4 | — | — | — |
| 41 | 13 | ♥Intnl Mining | 17 | ...... | — | — | — |
| 20 | 5 | ♥Ivanhoe Gld. N.L. | 10 | ...... | — | — | — |
| 100 | 25 | ♥Jingellic Minerals | 43 | ...... | — | — | — |
| 42 | 15½ | ♥Kalbara Min 20c | 16 | ...... | — | — | — |
| 25 | 9 | ♥Keywest Invs. | 24 | −1 | — | — | — |
| 134 | 54 | ♥Kitchener NL 25c. | 70 | −4 | — | — | — |
| 180 | 72 | ♥Meekatharra 25c | 74 | ...... | — | — | — |
| 58 | 24 | ♥Metals Ex 50c | 43 | −3 | n— | — | — |
| 52 | 23 | ♥Metramar Mns 20c | 36 | −4 | — | — | — |
| 279 | 217 | ♥MIM Hldgs 50c. | 218 | −8 | Q5c | 1.5 | 1.4 |
| 15 | 5 | ♥Mincorp 20c | 11¾ | −¼ | — | — | — |
| 8 | 3 | ♥Minefields Expl 25c | 4 | ...... | — | — | — |
| 46 | 23 | ♥Newmetal 20c | 30 | ...... | — | — | — |
| *213 | 128 | ♥North B Hill 50c | 184 | −16 | Q9c | ♦ | 2.7 |
| 90 | 38 | Nth. Kalgurli | 63 | −5 | — | — | — |
| 86 | 58 | ♥Oakbridge 50c | 70 | −2 | Q7c | 1.5 | 6.3 |
| 57 | 23 | Otter Expln NL | 36 | −1½ | — | — | — |
| 80 | 46 | ♥Pacific Copper | 80 | ...... | ♦— | — | — |
| 150 | 64 | ♥Pancont'l 25c | 72 | −2 | — | — | — |
| 9½ | 4 | Pan Pacific Pets NL. | 7½ | ...... | — | — | — |
| 74 | 35 | Paringa Mng & Expln 5p | 74 | ...... | — | — | — |
| 456 | 300 | ♥Peko-Wallsend 50c | 372 | −14 | G05c | ♦ | 0.9 |
| 14 | 6 | ♥Pelsart Res. NL | 11 | ...... | — | — | — |
| 298 | 172 | ♥Renison 50c | 257 | ...... | Q10c | 0.1 | 2.5 |
| 270 | 135 | ♥Do Defd | 205 | ...... | — | — | — |
| 83 | 30 | Samantha Explor NL | 37 | −1 | a— | — | — |
| 52 | 27 | Samson Explor NL | 27 | −1 | — | — | — |
| 74 | 52 | ♥Seltrust 50c | 58 | ...... | — | — | — |
| 58 | 24 | ♥Sons of Gwalia N.L. | 39 | −1 | — | — | — |
| 27 | 11 | ♥Sthn. Goldfields | 15½ | −½ | — | — | — |
| 19 | 7 | ♥Southern Pacific | 10½ | ...... | — | — | — |
| 14 | 6 | ♥Southern Ventures 25c | 8½ | −½ | ♦ | — | — |
| 50 | 17 | ♥Swan Res 20c | 22 | ...... | — | — | — |
| 110 | 60 | ♥Tunax Res N.L. | 90 | ...... | — | — | — |
| 58 | 34 | ♥United Goldfields | 36 | ...... | — | — | — |
| 24 | 5 | ♥West Coast 25c. | 9½ | −½ | — | — | — |
| 38 | 12½ | ♥Western Cont. 50c | 13½ | ...... | — | — | — |
| 275 | 168 | Westn. Mining 50c | 254 | −8 | Q2c | 7.6 | 0.5 |
| 200 | 53 | ♥Whim Creek 20c | 190 | −2 | — | — | — |
| 30 | 8 | ♥York Resources | 20 | −½ | — | — | — |

### Tins

| 1983 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 245 | 175 | Ayer Hitam $M1 | 195xd | ...... | vQ35c | 1.0 | 12.4 |
| 150 | 83 | Geevor | 140 | ...... | 24.0 | — | 4.1 |
| 18 | 10 | Gold & Base 12½p | 10 | ...... | — | — | — |
| 435 | 290 | Gopeng Cons. | 380 | ...... | ♦20.0 | 1.4 | 7.5 |
| 600 | 525 | Hongkong | 575 | ...... | 21.0 | ♦ | 5.2 |
| 21 | 13 | Jantar 12½p | 16 | ...... | 1.5 | 0.2 | 13.4 |
| 270 | 100 | Kamunting $M0.50 | 190 | −5 | ♦vQ27½c | 0.6 | 4.1 |
| 96 | 56 | Malaysia Mng. 10c | 65 | +2 | ‡vQ1½c | 0.9 | ‡ |
| 57 | 28 | ♥Pahang | 43 | ...... | B— | — | — |
| 500 | 325 | Pengkalen 10p | 500 | ...... | 1.0 | — | 0.3 |
| 330 | 225 | Petaling $M1 | 290 | ...... | ♦vQ70c | 1.3 | 6.9 |
| 250 | 185 | Sungei Besi $M1 | 210 | −5 | ♦vQ185c | 1.1 | ‡ |
| 55 | 40 | ♥Supreme Corp M$1 | 47 | ...... | vhQ3½c | ♦ | 2.3 |
| 145 | 93 | Tanjong 15p | 143 | ...... | g3.5 | — | 3.5 |
| 145 | 60 | ♥Tongkah H. Tin $A1 | 117 | ...... | vQ5c | 1.6 | 1.2 |
| 300 | 190 | Tronoh $M1 | 230 | +5 | vQ90c | 1.1 | 11.1 |

### Miscellaneous

| 1983 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 170 | 22 | Admiral Mines | 22 | −1 | — | — | — |
| 90 | 34 | ♥Anglo-Dominion | 70 | ...... | — | — | — |
| 93 | 54 | ♥Anglo Utd. Dev. | 55 | −5 | — | — | — |
| 400 | 230 | Centennial Minerals | 230 | −15 | — | — | — |
| 172 | 60 | ♥Colby Res Corp. | 110 | ...... | — | — | — |
| 620 | 315 | Cons. Murch. 10c. | 590 | −30 | ‡Q60c | 1.9 | ‡ |
| 240 | 170 | Hampton Areas 10p | 213 | −2 | 3.75 | 2.1 | 2.4 |
| 215 | 103 | ♥Highwood Res. | 175 | ...... | — | — | — |
| £24½ | £17½ | Homestake Mining $1 | £20¾ | −1⅛ | Q20c | — | 0.6 |
| 495 | 275 | Northgate C$1 | 370 | −10 | — | — | — |
| 672 | 437 | R.T.Z. | 593 | −10 | t17.0 | 2.9 | 4.1 |
| £147½ | £106 | Do 9½% Cv Ln '95-2000 | £130½ | −1½ | Q9½% | 32.5 | 17.5 |
| 190 | 13 | ♥Sabina Inds C$1 | 70 | +1 | — | — | — |
| 750 | 312 | ♥Tara Expln $1 | 735 | −15 | — | — | — |

## NOTES

# MOTORS, AIRCRAFT TRADES

## Motors and Cycles

## Commercial Vehicles

## Components

## Garages and Distributors

# NEWSPAPERS, PUBLISHERS

# PAPER, PRINTING ADVERTISING

# PROPERTY

# INSURANCES

# LEISURE

# SHIPPING

# SHOES AND LEATHER

# SOUTH AFRICANS

# TEXTILES

# TOBACCOS

# TRUSTS, FINANCE, LAND

## Investment Trusts

## Finance, Land, etc.

# OIL AND GAS

# OVERSEAS TRADERS

# PLANTATIONS

## Rubbers, Palm Oil

## Teas

# MINES

## Central Rand

## Eastern Rand

## Far West Rand

## O.F.S.

## Finance

## Diamond and Platinum

## Central African

# REGIONAL AND IRISH STOCKS

# OPTIONS

## 3-month Call Rates

"Recent Issues" and "Rights" Page 22

FINANCIAL TIMES
Saturday December 10 1983



MAN IN THE NEWS

# Nato's new image maker

BY BRIDGET BLOOM

"WE DO NOT lack the weapons or the will to deter or to defend. Nor should we lack confidence in the future of Western democracies, but we do lack a positive political strategy for dealing with the Soviet Union."

So said Lord Carrington, the new Secretary General of Nato, speaking long before yesterday's triumphantly unanimous appointment by Nato's Foreign Ministers.

He was still chairman of GEC when he gave his carefully constructed speech to the International Institute of Strategic Studies last spring.

"The notion that we should face the Russians down in a silent war of nerves, broken only by bursts of megaphone diplomacy, is based on a misconception of our own values, of Soviet behaviour and of the anxious aspirations of our own people," he said. His prescription then for a sensible policy for the Western Alliance was

Lord Carrington

for "the democracies ... to be true to their principles (of) dialogue, openness, sanity and a non-ideological approach to the dangerous business of international affairs."

The majority of Nato's Foreign Ministers who appointed Peter Carrington to be their top bureaucrat undoubtedly approve of such sentiments. In Brussels this week they have grappled with the breakdown of arms control talks with the Soviet Union and the longer term problem of the apparently inexorable closure of so many of the political channels for communication with the East which were common currency of the detente of the 1970s.

But paradoxically one of Lord Carrington's most difficult problems, as he takes over next June at the age of 65 from Nato's present incumbent, Dr Joseph Luns, could be that his strong views on the need for a more balanced East-West relationship find much readier approval in Europe than in Washington — still the linchpin of the alliance. The implication behind the phrase "megaphone diplomacy" is reported to have nearly cost him Washington's support for the Nato job.

He will no doubt try hard to bridge the gulf between European and current American perceptions of the Soviet threat. He has immense experience, not just of international affairs and government (he has served every post war Tory government) but also of defence. Educated at Eton and Sandhurst he was in the Guards and has been First Lord of the Admiralty and Minister of Defence.

His consummate political and diplomatic skills showed when as Foreign Secretary in 1978-79 he managed to persuade warring black and white Rhodesians to agree to settle for an independent Zimbabwe.

He has some disadvantages. In the very international atmosphere of Nato he speaks no French, and his patrician manner and occasional biting wit, while generally admired by civil servants, is sometimes less endearing to politicians.

He will certainly need all the skills he can muster as he addresses the diverse, often inert institutions of Nato. His clients will be the 16 disparate governments, but his task will include not just pleasing them but trying to reassure their increasingly anxious publics.

"Nato needs a new image" said one of its senior officials.

"We need someone who can portray an image of Nato which inspires confidence and presents us not as belligerent but as trustworthy and—*without letting our guard down*—as really ready for dialogue."

If Carrington can succeed in helping Nato along that sort of road, he may well have helped the world to feel a safer place.

# Australian dollar to float free

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE AUSTRALIAN dollar is to be allowed to float free, with the Government dismantlnig a "large proportion" of the controls which surround the present managed exchange rate regime.

From Monday dealers expect the Australian dollar to float up to about U.S.$0.9500 against Thursday's closing "indicative rate" from the Reserve Bank of U.S.$0.9025. After that, they say, it may subside a little.

Since last March, when the Government's first act on gain*ing office was to devalue the* Australian dollar by 10 per cent to counter a heavy outflow of capital, the trade-weighted value of the currency has been restored to pre-election levels though its value against the U.S. dollar has not fully recovered. Its value immediately *before the devaluation last* March was U.S.$0.9491.

The move yesterday followed a day of confusion in currency markets which began when the Reserve Bank called a temporary suspension of currency dealings in the morning.

In the evening, Mr Paul Keating, the Federal Treasurer, announced the free float. Over the past nine days about A$1.5bn (£938m) in speculative cash flooded into Australia, in anticipation of a formal revaluation of the currency, he said

The decision was widely welcomed as an indication that Mr Bob Hawke's Labor Government is far keener to proceed with deregulation of the country's financial and banking sectors than had been assumed.

*The Government seems attrac*ted to the idea of establishing an offshore banking market in Australia, encouraging development of Australia as a major western Pacific financial centre to rival Singapore and Hong Kong.

Further details of the latest *move are expected in the next* few days though Mr Keating indicated last night that as part of the dismantling of exchange controls, restrictions on overseas portfolies and direct investment by Australians would be lifted.

The Government will also remove restrictions on the timing of trade payments and allow residents to enter into contracts with non-residents without obtaining Reserve Bank approval.

Since December 1 the Reserve Bank has steadily lowered the local dollar's trade weighted index (May 1970=100) finishing at 81.4 on Thursday against 82.3 on November 29. That did nothing to stifle speculative inflows, with an extra A$350m flowing in two days ago.

*Mr Robert Johnson*, governor of the Reserve Bank, welcomed yesterday's move, as did dealers, brokers and bankers. Even exporters approved: Mr James Strong, director of the Australian Mining Industry Council, was confident there would eventually be a fall in the dol*lar's value.*

Mr Malcolm Irving, chairman of the Australian Merchant Bankers Association, said the float was "a further progressive move." He hoped more foreign exchange dealing licences would be issued. At present only trading banks are licensed to deal in foreign exchange.

The Government is studying a report on the country's financial system—the Martin Committee report—which is assumed to favour swifter de-regulation, along with limited entry of foreign banks.

In London: Australian shares lost ground on the news of the float as dealers anticipated an adverse rise against the U.S. dollar and other major trading currencies leading to a marked loss of export income.

*Resource issues such as* Gold Mines of Kalgurli and Central Norseman took the brunt of the drop with falls of 10p each to 638p and 443p respectively. Poseidon, Ashton Mining and CSR also featured amid the overall weakness.

Dai Hayward writes from *Wellington: The New Zealand* Reserve Bank suspended trading in foreign exchange following the announcement by the Australian authorities. When Australia last devalued, New Zealand followed suit but by a smaller amount.

# Brazil's creditor banks reassured

By Peter Montagnon, Euromarkets Correspondent

BRAZIL'S leading creditor banks have received verbal assurances from the International Monetary Fund that the country will receive $2.5bn (£1.7bn) in extra loans from western governments in the next year.

The assurances follow worries that the governments' package might not be complete in time for the banks to pay over a first instalment of the $6.5bn loan they are arranging to help Brazil stave off default on its $90bn foreign debt.

The loan contract specifies that payment will not be made without formal notification from the IMF that the governments' credit package is in place.

It is understood that the IMF is now moving to reassure banks on this point. Until this week, only the U.S. Government was committed publicly to support the package with $1.5bn of new export credit lines.

It became known yesterday that Mr William Dale, the IMF's deputy managing director, went to Paris last month to lobby governments represented at a meeting of senior officials from the Group of Ten leading industrial countries. Mr Dale is understood to have returned satisfied that the government loans would be forthcoming.

The IMF is unlikely to give the banks a detailed breakdown of the amounts. Speculation in banking circles yesterday concentrated on significant contributions from France and West Germany. Britain has said *publicly that it will not participate.*

On Thursday Whitehall officials denied that a British decision to hold open £300m in existing export credit lines to Brazil represented a change of heart. Some bankers argue, however, that these funds will *still be of considerable assis*tance to Brazil and could represent a covert contribution to the package.

Mrs Thatcher has been publicly identified with Britain's refusal to lend to Brazil and is unlikely to admit openly to any change in policy.

# BBC presses Thorn EMI to join satellite venture

BY RAYMOND SNODDY

THE BBC is making a determined attempt to attract a private sector partner to share the risk of its planned direct satellite broadcasting service.

For two months the corporation has been having discussions with Thorn EMI, which manufactures and rents television sets. The BBC believes the talks are at an advanced stage, although Thorn was cool about the plan last night.

The BBC would like Thorn EMI to take a substantial minority stake in a joint venture to run the BBC's direct broadcast by satellite (DBS) which is due to begin in the autumn of 1986.

Although the BBC signed heads of agreement with the satellite consortium Unisat in March, the final go-ahead for the expensive and risky project has yet to be given. The BBC will probably have to make a decision by the end of the year.

One reason for delay is the fact that the Home Office has yet to issue technical standards for receiving equipment. The other is the discussions with Thorn.

The aim would be to link the BBC's expertise as a programme maker with Thorn EMI's commercial expertise through its Radio Rentals subsidiary and its manufacturing arm Thorn EMI Ferguson. Thorn is also planning to run a premium film channel for cable.

DBS receivers could be an important new market for Thorn and keeping their cost as low as possible will be a crucial factor in the outlook for satellite television direct to the home.

The BBC had expected to reach an agreement nearly six weeks ago, but there was a last-minute hitch because of Thorn EMI's 50 per cent stake in Thames Television.

The Independent Broadcasting Authority is likely to insist that Thorn's stake in Thames should be reduced substantially if there is any formal relationship between Thorn and the BBC.

Mr John Sibley, a director of both Thorn EMI and Thames confirmed that the company had been having talks with the BBC.

He emphasised, however, that Thorn was having discussions on the implications of new *technology with other groups,* including Home Box Office, the U.S. cable programme company. Thorn's interest was in renting and manufacturing receiving equipment and not in sharing the costs of the BBC's satellite, which will cost £24m a year for seven years.

"There is no way on present information that I could recommend to our board that we become involved in any partnership arrangement on DBS," Mr Sibley said.

# Rio Tinto-Zinc fails with oilfield bid

BY IAN HARGREAVES

RIO TINTO-ZINC yesterday failed in its latest bid for expansion in the oil industry as Ultramar and Century Power and Light pre-empted its £60m offer for British Electric Traction's share of the Maureen offshore oil field.

British Electric Traction said it had accepted bids from Ultramar and Century, which is a subsidiary of Imperial Continental Gas Association, for its 5 per cent of Maureen and its other non-producing North Sea assets.

The terms of the deal, British Electric Traction said, were the same as offered by RTZ, and completion would still take place early next year. The completion date was one of several points under tough negotiation last week.

Ultramar and Century had the right to pre-empt the RTZ bid because they were already partners in the Maureen field.

As a result of yesterday's deal, Century's stake in Maureen will rise from 9 to 11.5 per cent and Ultramar's from 6 to 8.5 per cent. The operator of the Maureen field is Phillips Petroleum, which has a 33.78 per cent share.

The outcome of the bids is a significant disappointment for RTZ, which wants to expand its UK oil activities, generating capital investment as a tax cover for repatriated profits

For Ultramar, the expansion of its interest in Maureen comes shortly after its successful £30m tender for 1 per cent of British Petroleum's stake in the Forties Field. Century bought in the same auction a quarter per cent stake in Forties, for £7.5m.

Continued from Page 1

# NGA fined £525,000

for refusing to call off unlawful pickets outside the Warrington plant. Further picketing, or action anywhere else in the printing industry, is bound to result in further fines.

In his judgment yesterday, Mr Justice Eastham said he was satisfied the union's principal objective was "to use its muscle to try and destroy the business" of Mr Shah, "by force."

In the NGA's defence, Mr George Jerrom, a national officer, submitted an affidavit in which he said the NGA was not responsible for picket line violence. It had been impossible to stop unruly elements throwing missiles, and police control had been "excessively violent."

However, Mr Justice Eastham who questioned Mr Shah on the stand, said he had no difficulty in accepting the evidence of the Messenger group chairman. His affidavits, he said, had been very restrained.

An application by the NGA for a second adjournment while it undertook not to picket the plant was refused, while a further application for a relaxation of the sequestration which has frozen the NGA's funds was adjourned until Wednesday. The national council will today consider whether to co-operate with the sequestrators in order to facilitate such a relaxation.

In a separate decision, the judge accepted a claim from the Manchester Graphical Society that most of its funds were independent of the NGA and should be freed from the sequestration order. The decision is likely to be followed by other applications from NGA branches.

Mr Shah said after the hearing that he would continue writs against the union if unlawful picketing continued, would maintain his position "as *long as it takes*" to see the law upheld, and that at no stage would threats make the company impinge on the rights of its workers to be outside a closed shop.

He said his members could have a closed shop — one of the issues at the heart of the dispute — but only if they voted for it. He hoped talks with the union would restart and conceded that being besieged inside his printing plant last week had been "bloody terrible."

Mr Norman Tebbitt, Trade and Industry Secretary, said yesterday that all concerned in the dispute should "take a long deep breath" before escalating action "over what is really a very small dispute in which some people are being required to join a union which they do not wish to join."

## CHIEF PRICE CHANGES YESTERDAY

**(Prices in pence unless otherwise indicated)**

| RISES | | |
|---|---|---|
| Alpine Sft Drinks | 31 | + 4 |
| BICC | 240 | + 7 |
| Bishop's A N/V | 230 | + 15 |
| Campari Intnl | 41 | + 5 |
| Executex Clothes | 56 | + 16 |
| Pavilion Leisure | 85 | + 10 |
| Phoenix Timber | 96 | + 6 |
| Pressac | 182 | + 13 |
| Steinberg | 136 | + 9 |
| Utd Scientific | 368 | + 8 |
| VW Thermax | 145 | + 8 |
| York Trailer | 28 | + 4 |

| FALLS | | |
|---|---|---|
| Exqr 12½pc 1999 | £113¼ | − ¾ |
| Barclays Bank | 493 | − 10 |
| Beecham | 318 | − 7 |
| Glaxo | 730 | − 15 |
| Hawker Siddeley | 352 | − 8 |
| *ICI* | 650 | − 6 |
| Martin, Newsagent | 152 | − 11 |
| Norfolk Capital | 39 | − 5 |
| P & O Dfd | 243 | − 5 |
| Polymark Intnl | 12 | − 9 |
| Sheffield Brick | 17 | − 2 |
| Smith (W. H.) A | 140 | − 8 |
| Stock Conversion | 317 | − 11 |
| Triefus | 33 | − 6 |
| *Shell Transport* | 564 | − 8 |
| Anglo Am Gold | £75¾ | − 2¼ |
| Hartebeest Gold | £48¾ | − 1¼ |
| Vaal Reefs | £73¼ | − 1¾ |

## WORLDWIDE WEATHER

| | | Y'day midday °C | °F | | | Y'day midday °C | °F | | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajaccio | S | 12 | 54 | Corfu | F | 12 | 54 | L Ang.† | Fg | 13 | 55 | Paris | C | 7 | 45 |
| Algiers | S | 17 | 63 | Dallas | S | 13 | 55 | Madeira | F | 18 | 64 | Perth | S | 26 | 79 |
| Amsdm. | C | 6 | 43 | Dublin | C | 7 | 45 | Madrid | S | 4 | 39 | Prague | C | 0 | 32 |
| Athens | S | 10 | 50 | Dbrvnk. | S | 11 | 52 | Majorca | S | 16 | 61 | Reykjvk. | S | −6 | 21 |
| Bahrain | S | 28 | 82 | Ednbgh. | F | 5 | 41 | Malaga | S | 17 | 63 | Rhodes | F | 15 | 59 |
| Barclna. | S | 11 | 52 | Faro | F | 17 | 63 | Malta | F | 12 | 54 | Rio J'o | | — | — |
| Belfast | C | 7 | 45 | Florence | C | 8 | 46 | M/chstr. | R | 8 | 46 | Rome | S | 9 | 48 |
| Belgrd. | C | −2 | 28 | Frankft. | C | 2 | 36 | Melbne. | F | 19 | 66 | Salzbrg. | C | −1 | 30 |
| Berlin | R | 1 | 34 | Geneva | C | 4 | 39 | Mx. C. | | — | — | S F'cisco† | R | 13 | 55 |
| Biarritz | R | 12 | 54 | Gibraltar | S | 16 | 61 | Miami† | F | 22 | 72 | Singapr. | R | 24 | 75 |
| Bmghm. | R | 7 | 45 | Glasgow | F | 6 | 43 | Milan | S | 3 | 37 | S'tiago | | — | — |
| Blackpl. | R | 7 | 45 | G'msey | R | 9 | 48 | Montrl.† | S | −5 | 23 | Stckhm. | Sn | 0 | 32 |
| Bombay | F | 28 | 82 | Helsinki | Sl | 2 | 36 | Moscow | S | −3 | 27 | Strasbg. | C | 3 | 37 |
| Bordx. | R | 9 | 48 | H. Kong | S | 21 | 70 | Munich | S | 0 | 32 | Sydney | S | 21 | 70 |
| Boulgn. | C | 9 | 48 | Innsbrk. | F | −4 | 25 | Nairobi | F | 24 | 75 | Tangier | C | 15 | 59 |
| Bristol | R | 7 | 45 | Invrnss. | C | 5 | 41 | Naples | S | 9 | 48 | Tenerife | S | 22 | 72 |
| Budpst. | S | −1 | 30 | I.o.Man | C | 7 | 45 | Nassau | | — | — | Tokyo | S | 13 | 55 |
| Cairo | S | 19 | 66 | Istanbul | C | 8 | 46 | Nwcstl. | R | 6 | 43 | T'ronto† | C | −4 | 25 |
| Cardiff | C | 8 | 46 | Jersey | R | 10 | 50 | N Delhi | S | 21 | 70 | Tunis | C | 12 | 54 |
| Cape T. | S | 22 | 72 | Jo'burg | F | 27 | 81 | N York† | C | 1 | 34 | Valencia | S | 17 | 63 |
| Chicg.† | Sn | −3 | 27 | L. Plms. | S | 22 | 72 | Nice | S | 10 | 50 | Venice | S | 3 | 37 |
| Cologne | R | 3 | 37 | Lisbon | C | 15 | 59 | Nicosia | R | 18 | 64 | Vienna | S | 1 | 34 |
| Cpnhgn. | C | 4 | 39 | Locarno | S | 2 | 36 | Oporto | R | 13 | 55 | Warsaw | C | −2 | 28 |
| | | | | London | R | 10 | 50 | Oslo | S | −1 | 30 | Zurich | C | 2 | 36 |

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain, S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.

† Noon GMT temperatures.

Continued from Page 1

# Dollar

**reacted by marking up the dollar sharply in early trading in London yesterday, although some of the buying pressure for dollars eased in the afternoon.**

**In spite of heavy intervention by the Bundesbank, the West German central bank, to defend the D-Mark, the dollar closed in London at its highest level for 10 years at DM 2.749.**

**The Bundesbank spent $97.35m (£67.8m) yesterday in support of the West German currency at the end of a week in which the Bank has been generally active in the Frankfurt currency market.**

**The general strength of the dollar also depressed the pound to a record low of $1.4355, down 60 points on the day, and a little over 2 cents below its level a week earlier.**

**However, the pound fell relatively less than some other currencies against the dollar, so that sterling's trade weighted index rose slightly to 82.6 from 82.5 the previous day.**

**In the past week the dollar's trade-weighted value has risen by 1 per cent.**

**The general anxieties about U.S. interest rates which have underpinned this rise were reflected yesterday in a rise of ⅛ of a percentage point in the 3-month Eurodollar interest rate to 10⅛ per cent at the close of business in London.**

THE LEX COLUMN

# Equities scale a new peak

With the return of confidence in the equity market, the All-Share hit a new peak on Thursday, when it stood 22¼ per cent above the level at the New Year. Underpinning the renewed surge in prices has been a much healthier tone to institutional cash flow, with anecdotal evidence to suggest that fund managers are diverting more of their funds to the domestic market as opposed to foreign stocks than has been the case in recent years. Add to that the recent restraint shown by the Government in the gilt-edged market, to say nothing of the prospective £1bn of mainly cash proceeds on the takeover of Eagle Star and the worries about a squeeze on institutional resources evident earlier have largely evaporated.

Meanwhile, the actual performance of companies reporting in recent weeks has been more buoyant than expected. Both Courtaulds and Hanson Trust have stood out with sharply higher profits, but a string of other companies have provided a *solidly* encouraging backdrop to these stars — among them BOC, Allied-Lyons, Redland and Metal Box. Profit growth projections for 1983 by stockbrokers, which had been drooping over the summer months, are now being edged back over the 20 per cent mark. At the same time projections for 1984 are being firmed back to a confident 15 per cent or so.

Dividend growth too is coming well up to expectations, and a gain of a tenth looks pretty well built in for the current year, with similar growth projected for 1984. It is the expectation of such strong real dividend growth that has allowed the reverse yield gap to widen again to the levels seen in the summer.

Over the last year the market ratings of the different sectors have converged, after a period *when large industrial stocks in* glamour sectors like electricals had risen sharply. Indeed, the highly-rated big stocks like

**Index fell 3.1 to 757.1**

Plessey, GEC and Racal have been among the worst performers this year, while stocks that have shown some of the best performances were among the most lowly rated starters. Among the strong sectors this year have been publishing, up 61½ per cent; chemicals, up 60½ per cent; motors, up 56 per cent; textiles, up 46 per cent; and banks, up 40½ per cent. The electricals sector has shed 1 per cent, while another 1982 star, health and household products, is up a pedestrian 12 per cent.

According to stockbrokers Wood MacKenzie, the yield rela*tionships in the market* now look more normal. However, there is still some room for the oil and financial sectors to outperform, and the engineering sectors have yet to budge. Some investors may be tempted to back the capital goods cycle at this stage, and subsequently, perhaps, *stocks* exposed to the third world. But the investment game of the last couple of years, which has concentrated on picking sectors, seems to have changed, and the most important factor in obtaining investment performance from now on is likely to be stock selection.

## Australia

Yesterday morning's announcement on the Australian dollar caught the international markets slightly on the hop. A significant revaluation had been expected along the lines of earlier upward adjustments in the daily rate as supervised by the authorities. But the welcome decision to scrap this approach and allow a free float kept the Australian exchanges closed all day and dealers in other centres found it a tick*lish* problem trying to find a real level for the currency; it certainly strengthened against the U.S. dollar and sterling, but enormous spreads pointed to thin trading.

Foreign exchange dealers down-under have been leading Mr Hawke's Labor Party a merry dance since its election in March. The new government scored a notable coup in its first days by using a 10 per cent devaluation to stem speculative sales of the dollar. But too many speculators have been getting their own back since then, continually taking long dollar positions in the virtual certainty that the Reserve Bank would oblige with a higher posted rate, often the same day.

Their confidence is easily understood. Local bond prices have been rising sharply, facilitating budget funding: the Government has raised A$7.3bn and only needs another A$1.1bn before next June. But net inflows of private capital from abroad have also been at record levels and the Government has been fighting a losing battle in its recent efforts to keep the dollar down.

This latest strategy, based on the idea that a falling dollar might somehow prompt a retreat by foreign investors, seems questionable at best. The motive behind it still looks sensible, though, with the latest money supply figures running well ahead of target. What remains open to doubt is whether the new approach, reinforced by a sweeping relaxation of Australian foreign exchange controls, will prove any more successful in balancing the net capital flows.

Many Australian equities in the resources sector still look attractive enough to tide investors over a little added uncertainty on the currency. The Metals and Mining Index closed down 14.5 yesterday at 528.2, reflecting a sharp overnight fall in New York metal prices as well as the traditional concern over the sector when the Australian currency strengthens. But the 77 per cent rise in the Index from its cyclical low suggests that its recovery is far from complete.